NATION'S BUSINESS



JULY • 1934

We, the People—

Raymond Willoughby

The Right Way to Use Gold

Prof. G. F. Warren

PUBLISHED BY THE CHAMBER OF COMMERCE
OF THE UNITED STATES • WASHINGTON

NRA CODE

A sudden demand promptly met!



Bell System Teletypewriter Service fits the special needs of concerns in widely differing industries. Here is how it met an unusual situation for the Owens-Illinois Glass Company, as described by Mr. F. J. Solon, General Sales Manager:

"A sudden nation-wide demand for quick delivery of millions of bottles swept into our offices with the legalization of 3.2% beer. This involved co-ordination of instructions between Toledo headquarters and 51 branch sales offices and factories. We already had two private line teletypewriter circuits connecting many of our offices, and we quickly installed two more.

"In addition we had teletypewriter exchange service at 30 more offices. Representatives at points not included used Long Distance to the nearest point on the teletypewriter system, from which the messages were teletyped to destination. We frankly admit that but for these facilities, it would have been impossible to meet the situation without considerable delay and customer dissatisfaction."

Like many other concerns, Owens-Illinois uses teletypewriters daily in supervising plant activities; making personal contact with customers; assuring quick deliveries. Bell System Teletypewriter Service is being used profitably by small companies as well as large ones. Your local Bell Telephone Office will gladly give you full information about it.

BELL SYSTEM TELETYPEWRITER SERVICE



"Multigraph and Multilith SAVE US 35% on Form Printing"

— FRED R. WITT,
Adv. Mgr., Thompson Products, Inc.

Thompson Products, Inc., is one of the thousands of concerns who are speeding business recovery by making *full use* of Multigraph and Multilith. Read their letter reproduced at left. See how they are *saving* and *making* money with this versatile equipment.

Not in years has there been such an opportunity to build sales and profits through direct mail advertising as exists today! Take advantage of it. Multigraph can be a tremendous aid in writing personalized letters and printing and imprinting circulars and other promotional material.

Use Multilith, too—the sensational new machine that reproduces hand-drawn, hand-written, typewritten, traced or photographic "copy" by modern offset lithography right in your own office or plant. Multilith is fast, reliable, and low in operating cost.

Thompson Products, Inc.
CLEVELAND DETROIT
GENERAL OFFICES
CLEVELAND, OHIO May 26, 1934

Addressograph-Multigraph Corporation,
Cleveland, Ohio.

Gentlemen:

Our Multigraph and Multilith equipment is turning out more than 500,000 printing impressions monthly at speeds of 4,500 to 7,000 an hour. It is producing over 150 office and factory forms formerly purchased from outside sources, at an average saving of 35%.

The speed, economy and flexibility of the Multigraph and Multilith have greatly increased the efficiency and scope of our advertising and sales promotional work, in which we contact close to a thousand wholesale automotive parts jobbers employing approximately 8,000 salesmen. Without adding to our selling expense we have been able to intensify this effort. It includes letters, bulletins, merchandising helps, dealer training, advertising circulars and tie-ups. The two Multigraphs are also doing 98% of our imprinting, which runs over 1,000,000 pieces a year.

Our Production Department finds the Compotype machine and Multigraph extremely valuable in speeding up the preparational "paper work" on orders, involving the scheduling of manufacturing operations through many departments. This equipment has paid for itself several times. We find new uses for it almost daily. We frequently add to our Multigraph equipment, with excellent returns on our investment.

Sincerely yours,
THOMPSON PRODUCTS, INC.
Adv. Mgr.

Fred Witt-CH



The beautiful Charles E. Thompson Trophy is the *major* award given each year to the winner of the feature speed race at the National Air Races.

Profit Making Money Saving

Speed and reliability characterize all Thompson activities. Multigraph and Multilith fill these requirements in the production of their printed matter. These modern profit-making and money-saving methods actually stimulate sales and hasten recovery in any business . . . large or small. Mail coupon for complete information regarding Multigraph and Multilith.

NRA

MULTIGRAPH COMPANY
Division of
Addressograph-Multigraph Corporation
Cleveland, Ohio



Above: A view of the Multigraph department in the Cleveland plant of Thompson Products, Inc. Their equipment includes two Model 66 Printing Multigraphs, equipped with motor drives, mechanical joggers, printing ink attachments and automatic friction paper feeders; a Model 89 Lever Compotype; and a Model 296 Multilith. *Right:* Model 69 Electric Compotype with keyboard control. Embosses type strips for use on Multigraph in various faces of type at practically typewriter speed.



Multigraph
TRADE MARK

MAIL WITH YOUR LETTERHEAD

MULTIGRAPH CO., JULY—14
1213 Babbitt Road,
Euclid P. O., Cleveland, Ohio
☐ Send information about Multigraph and Multilith
☐ Send samples of Multilith work.

Your name.....

Nation's Business is published on the 30th of every month by the Chamber of Commerce of the United States. Publication Office, Washington, D. C. Editorial, Advertising and Circulation Offices, 1615 H Street, N. W. Washington, D. C. Subscription price $3.00 one year; $7.50 three years; 25 cents a copy. Entered as second-class matter March 20, 1929 at the Post Office at Washington, D. C., additional entry at Greenwich, Conn., under the Act of March 3, 1879.

Our 50 YEARS' Experience Can Help You

To the MAN who makes the INSURANCE Decisions

IF YOUR position in your business requires insurance decisions based on facts, knowledge and experience, you will value the help which this national institution can give you.

Many of the nation's foremost businessmen look to the Standard Accident Insurance Company of Detroit for Casualty Insurance and Bonding protection.

NATION-WIDE SERVICE SYSTEM. For more than 50 years this soundly financed, time-tested organization has been providing the American businessman, the manufacturer, the store-owner, proper and complete protection against a multitude of hazards. Over 134 millions of dollars have been paid out on claims under Standard policies.

In addition to its far-flung agency organization of more than 5000 trained representatives, the Standard maintains a national force of inspectors, safety engineers, auditors and claim adjusters ready to provide prompt and satisfactory service. Whether your policy is issued to you as a large organization or as an individual, this nation-wide service system assures the utmost in modern insurance protection.

COMPLETE INSURANCE PROTECTION. Go over the list of policies which Standard writes, *now.* Perhaps there is some unknown contingency or risk you may have overlooked in connection with your own business and this is an opportune time to find it out. Standard writes all forms of Automobile Liability, Property Damage and Collision Insurance for individuals or fleets, Group Accident or Disability, Fidelity and Surety Bonds, Burglary, Theft and Holdup and many other forms of insurance pertinent to modern business.

STANDARD SERVICE SATISFIES. Satisfactory service and settlements over a period of 50 years have earned the Standard a national reputation and the good-will of thousands of policyholders . . . as well as the good-will of the insurance agents and brokers who place this insurance with us.

The *Standard Agent* in your community is trained and equipped to give you expert counsel on your insurance needs. Behind him is the full experience of this 50 year old institution. If you are not acquainted with the Standard representative in your city, we will be pleased to forward his name to you.

Insurance brokers or agents anywhere will be glad to place your insurance with Standard. They know the value of Standard protection. 50 years of fair dealing back of every policy.

CHECK this List

√

- ☐ Automobile Liability, Property Damage and Collision
- ☐ Burglary, Theft and Holdup (all forms)
- ☐ Employers' Liability
- ☐ Plate Glass Breakage
- ☐ Workmen's Collective
- ☐ Owners' and Contractors' Protective
- ☐ General and Public Liability and Property Damage (all forms)
- ☐ Workmen's Compensation
- ☐ Elevator Inspection and Insurance
- ☐ Golf and Sports Liability
- ☐ Personal Accident and Sickness (all forms)
- ☐ Group Accident or Disability
- ☐ Check Forgery
- ☐ Blanket Bonds
- ☐ Fidelity and Surety Bonds (all forms)

Specify Standard Insurance!
Get Standard Service!

1884  1934

A Sound, Non-assessable Stock Insurance Company

STANDARD ACCIDENT INSURANCE COMPANY, Detroit
ONE OF AMERICA'S LARGEST CASUALTY AND BONDING COMPANIES

When writing to Standard Accident Insurance Company *please mention Nation's Business*

"TAKING 'Risks' IS OUR BUSINESS BUT WE WANT SAFETY IN OUR CARS"

★ AN INTERVIEW WITH THE AMERICAN MUTUAL LIABILITY INSURANCE CO. OF BOSTON, MASS. ★



1 "In the insurance business we keep a check on the safety features of our cars. In fact, we have been furthering the cause of greater safety in both automobile manufacture and driving."

American Mutual Buys Without Prejudice For Their Men's Protection

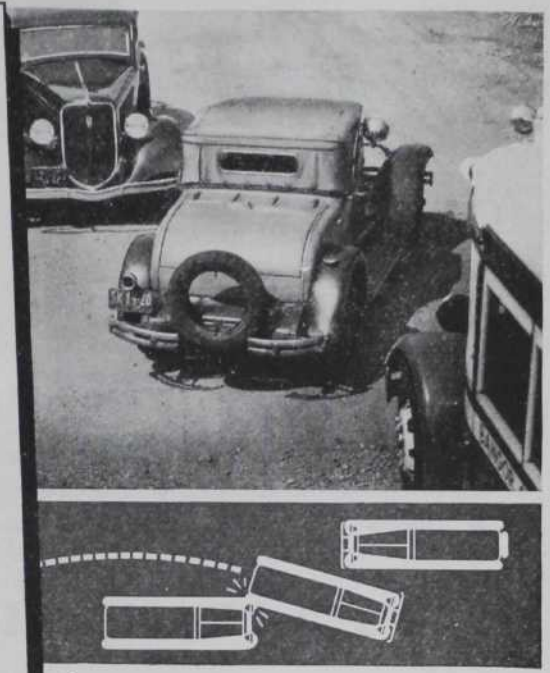
"IN the insurance business, we're constantly pitting safety against risk—the greater the safety, the less the risk.

"But we can't afford to have our men take any risks—so we buy without prejudice to get the safest low-priced car we can.

"We *know* the value of such safety features as Hydraulic Brakes and a Safety-Steel Body in a car. We *know* they provide the best kind of protection on today's busy highways.

"Our men drive in heavy city traffic. They need safe cars to protect them from 'the other fellow.' And they need comfort to keep them 'on their toes.'

"We look for these features when we buy Company cars."



2 "'Cutting in' is a most common cause of accidents. The diagram shows what happened in the photo above. In jams like this, hydraulic brakes prevent many serious accidents."



3 Here's one of the Plymouths American Mutual picked for their men's safety. All models have been substantially reduced in price . . . as much as $45 in some cases. Prices begin at $485 for the Standard Plymouth; $560 for the new SPECIAL Six; $595 for the DeLuxe Plymouth—F. O. B. factory, Detroit. Duplate Safety Plate Glass *throughout* at the lowest additional cost in the industry.

The fact is, American Mutual's Plymouth purchases have increased over 300% in each of the last three years—and they're adding even more this year.

The reason? Consider Plymouth's four vital features for extra comfort and safety.

Its Hydraulic Brakes always stop *instantly and smoothly*. Its Safety-Steel Body—of steel reinforced with *steel*—provides additional protection.

Floating Power engine mountings end vibration. And Individual Wheel Springing adds greater comfort.

Compare "All Three" low-priced cars. Any Dodge, De Soto or Chrysler dealer has all the facts about Plymouth.

NEW PLYMOUTH $485 AND UP AT THE FACTORY DETROIT

IT'S THE BEST ENGINEERED LOW-PRICED CAR



HERE'S A FRANK BID FOR YOUR PLANT AND WHY

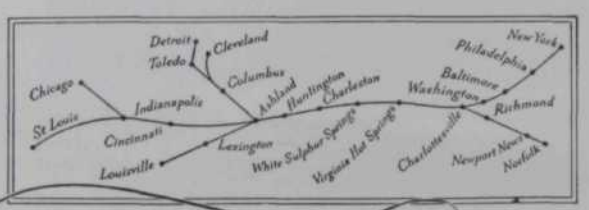
Industry's new rules make more necessary than ever every possible *natural* factor to cut production and distribution costs. In wealth of natural resources, manufacturing economies, nearby markets, and transportation, no similar area offers so much as the Chesapeake and Ohio territory.

Here's our story: Immense reserve deposits of coal, oil, gas, limestone, glass sand, iron ores, timber, and other basic products . . . high-grade fuels . . . cheap power . . . low construction costs . . . native building material of all kinds produced by local industries from native raw materials.

A trained and experienced labor supply, 96% American born . . . stable and efficient production.

Chesapeake and Ohio operates in the very heart of the country's finest markets. Eighty-five per cent of the nation's total population is in the eastern half of the United States. Fast freight trains and the finest fleet of air-conditioned passenger trains in the world provide efficient, convenient transportation between manufacturer and customer.

For the modern pioneers who choose new fields of operation with an eye to *natural* economies, Chesapeake and Ohio land is made to order. Complete, detailed, factual material relating to your specific industry will be furnished on request. No obligation.



GEORGE D. MOFFETT
Industrial Commissioner
Richmond, Virginia

George Washington's Railroad

CHESAPEAKE *and* OHIO *Lines*

Original Predecessor Company Founded by George Washington in 1784

When writing to CHESAPEAKE & OHIO *please mention Nation's Business*

NATION'S BUSINESS for July • 1934

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From a Little Black Trunk to



a billion dollar estate

ONE bright March day in 1859, a little black trunk was carried from Janesville to Milwaukee, Wisconsin.

The trunk contained the records of The Northwestern Mutual Life Insurance Company. Every book, every paper and chattel of the company was in it. The trustees had decided to locate the home office in Milwaukee, and this was "moving day."

But far more than the little black trunk was making the journey. Behind this meager evidence of material worth stood ideals of mutual service which have survived wars, epidemics, booms, and depressions, and which have resulted in the great Northwestern Mutual of today.

The Growth in Assets of the Northwestern Mutual in Spans of 25 Years

1884 — *Twenty-Two Million Dollars*

1909 — *Two Hundred and Sixty-Two Million Dollars*

1934 — *A Billion Dollars*

More than half a million Americans are now banded together in the Northwestern Mutual for the financial security of themselves and their families. Its assets, as reported to state insurance departments, now total a billion dollars—a great estate administered for mutual welfare and protection.

Steadily and surely, in good times and bad, the Northwestern Mutual has spread and progressed. Let its strength protect you and your family. Insure an adequate income for your own leisure years, and lasting security for those you hold dear.

Mail us the coupon below for free booklet "Your Part of a Billion Dollar Estate."

WE SPREAD TO PROTECT SINCE 1857

The NORTHWESTERN MUTUAL LIFE INSURANCE *Company*

MILWAUKEE, WISCONSIN

NB 7-34 ©1934, TNMLICo.

Please send me your free booklet, *"Your Part of a Billion Dollar Estate"*

Name..... *Age*.....

Address.....

When writing to NORTHWESTERN *please mention Nation's Business*



6,000 EXHIBITORS
from 22 countries

Whatever your line of business—the Leipzig Trade Fairs can simplify your buying problems; save you time and money.

More than 6000 exhibitors—from 22 countries—offer for your comparison and inspection the latest items *in your line*. In one week's time you cover all the important markets of the world. At least 130,000 business men and buyers—from 72 countries—will visit the forthcoming Fall Fair, August 26th to 30th.

95% of the American buyers repeat their visits year after year . . . a remarkable endorsement of the profitableness of the trip.

In the *General Merchandise Fair,* 5000 firms will exhibit every possible item for the department store and the specialized store. In the *Building, Home and Industrial Equipment Fair,* there will be 1000 practical exhibits of interest to architects, builders and contractors in all lines. The exhibits are all conveniently grouped to save your time and make comparisons easy.

Write for Booklet No. 29. It tells the story of the Fairs in greater detail. Our New York Office—or an Honorary Representative in your vicinity—will gladly furnish any specific information on lines which interest you. Let us also tell you of important travel discounts and courtesies, available to Leipzig Fair visitors. Your inquiry involves no obligation. Write today. Leipzig Trade Fair, Inc., 10 East 40th Street, New York City. . . . This office will gladly give information on where to find German merchandise here or abroad.

LEIPZIG TRADE FAIRS

Through the Editor's Specs

Muck will not do for mortar

BUSINESS, upon which we lean for a return of good times, is the exchange of goods, labor and services. It is the sum total of millions of such exchanges made daily by individuals. It is voluntary. It cannot be driven, nor cajoled. Every transaction is a risk. Men naturally resist taking chances. They do so only when they see something to be gained. When fear or distrust prevails, they hesitate. When individuals postpone their normal buying and selling, business activity declines.

In our efforts to revive this business activity, upon which our schools, churches, politics, recreation, and, indeed, all our modern life depend, our zeal to reform everything has tended to retard recovery. Reform must make a case for itself. Evils must be made to appear of terrible mien and not exceptions, but the rule. Passions must be aroused, indignation, even anger brought into play.

The nation has never before witnessed such a general and continuous muckraking of our business life. Thus unwittingly we have weakened the faith and confidence of the people in the very institutions and processes they must use to bring back prosperous times.

IN CONDEMNING business evils we have condemned business as evil.

We began with the banks. They were non-social money-changers. Our investment bankers, without conscience, appropriated the mite of the widow and bought Peruvian bonds. Citizens who lent their savings and took mortgages as security were skinflints without benefit of clergy. A few cases of dereliction, where bad judgment was mixed with chicanery, were used to indict a great group.

That section of business activity which produces and distributes electrical energy was labelled "power trust," bleeding the people white. Commercial aviation was without morals or conscience. Manufacturers were chiselers, rebaters, exploiters of child-labor, operators of sweat-shops. Lumber, oil and coal men were "barons." Exchanges were gambling houses. Retailers were gougers and oppressors of the consumer; mail-order houses and chain stores worse. Advertising and selling were waste and direct charges upon consumption. Communication companies were the last, completing the cycle to come under the rake of the muck merchant.

The public has been told that those in charge of the nation's business activity are "corporals of disaster," "Neanderthalers," "men of the hard-shelled, crustacean and Old Stone Age," "the rugged ones of the great Delusion," "blind leaders of the blind," in comparison to whom "Al Capone was a poor ignorant Sicilian piker;" "slight men" "in whose veins flows something more than a trace of rodent blood." (A cynic might suggest that the tremendous cash and credit used today by the Government in its relief, reform and recovery measures are available only because of the energy and thrift of these same discredited Neanderthalers.)

This amounts to an indictment of a whole people, charging them with immorality, bad ethics, non-social instincts, common dishonesty. It even indicts the life-long work of our churches and schools, institutions where unbounded energy, self-sacrifice and money have been devoted to character building.

Is it any wonder that commerce and industry, so misrepresented, preached at, blamed for every shortcoming of human nature, have failed to respond, when the principal factor in such response lies in the faith and confidence of the people themselves in the very institutions and processes to which they look for recovery?

WITH THE IDEALS of honest reformers, we are in hearty sympathy. We, too, long for a world where there is no greed, selfishness, avarice; no injustice, no inhumanity of man to man, no acquisitiveness. We deplore the excesses and abuses of society. We are saddened at the shortcomings of human nature.

Whatever the degree in which reform may be needed, the recognition of the frailties of human nature



ORGANIZED PROTECTION
FOR LIFE AND PROPERTY

A.D.T. SYSTEM

—keeps your sprinkler system operative.
—instantly detects and reports fires in sprinklered and unsprinklered buildings.
—supervises and assists watchmen.
—protects against unlawful entry.

AVAILABLE
. . . a super-watchman!

Guards all parts of the building at the same time... works nights, Sundays and holidays... never sleeps... never gets excited... always does the right thing at the right time.

This super-watchman is A.D.T. Automatic (electric) Protection Service, backed by a nation-wide organization of protection specialists. It provides a means of detecting fire automatically —in sprinklered and unsprinklered buildings—and of instantly notifying the fire department. In case of burglary, it automatically provides an immediate investigation by armed forces.

A.D.T. Protection services outwatch the most dependable watchmen—and often make it possible to rearrange existing protection measures so that large economies are effected.

Regardless of insurance, automatic sprinklers, watchmen or type of building—you need A.D.T. Services to make your property and your business SAFE. *Illustrated literature on request.*

CONTROLLED COMPANIES OF
AMERICAN DISTRICT
TELEGRAPH COMPANY
155 SIXTH AVENUE · NEW YORK N.Y.

When writing to American District Telegraph Company *please mention Nation's Business*

should not blind the public to the fact that probity, uprightness and honor among members of the business community is so much the commonplace that it escapes notice by their very prevalence. Millions of men are in business, and their home communities know them for good citizens, good husbands and fathers, good providers. Of such is the strength of America in her adversity. A good business name is no curiosity in the United States. When sanity returns, a proper perspective will be possible, faith and confidence will reappear, and with them normal exchanges of goods and services will resume.

No obsolescence for old maxims

WE are indebted to Dan Casement, farmer of Manhattan, Kan., for bringing to our attention a little known verse of Rudyard Kipling, "The Gods of the Copy Book Headings." Water wets; fire burns; two and two make four; honesty is the best policy, are pushed aside by the Hopes of the World, sponsored by politics, uplift, vision, and Breadth of Mind. But always, in the end, the Copy Book Headings "limp up to explain it once more." They deny that the Moon is Stilton, even Dutch Cheese, that Wishes are Horses, that Pigs have Wings. When we are "promised abundance for all, by robbing selected Peter to pay for collective Paul;" with finally printing house money that buys nothing, the Gods of the Copy Book catch up with us to say, "If you don't work, you die." The Brave New World which endeavors to "pay men for existing, and no man must pay for his sins" learns, sooner or later, that the old maxims return

. . . and presently word will come,
That a tribe has been wiped off its ice-field,
Or the lights have gone out in Rome.

And this was Kipling, the seer, writing 20 odd years ago.

Practicalities for planners

WE are reminded again of the Kipling verse just now by a draft of a new program of a group of socialists, as reported in "The World Tomorrow," in which every family is to have $5,000 a year income, no more, no less.

"It can be done and should be done," say the Social Progressors.

Well, laying aside for the moment the question of "should be done," it might be well to point out that, in the banner year of 1929 eighty-odd billion income of the country represented around $2,500 per family. To double that activity will be to go some—twice as many telephones, au-

tomobiles, farm crops, pig-iron production, *et cetera*. At the risk of being considered captious and cantankerous, we suggest that the boys who plan so prodigiously get out in the fields and gather some of the honey which is to be so generously distributed. We fear some of them who talk so glibly don't even know the seasons of the flowers.

Opportunity, on the American Plan

RESEARCHERS, both foreign and domestic, who are digging into the records to learn why this country with only seven per cent of the world's population had created more than half the world's wealth, seem to have searched only superficially. It is not due to natural resources, nor machine development, nor the human stock. Back of this tremendous advance of the standard of life, and responsible for it, was a simple formula established in 1776. The individual was no longer to be ward of the State; the Government was restricted and limited in its power over, and supervision of, the individual. Three rights he was to have: economic freedom of action, opportunity for the exercise of that freedom, and, finally, the keystone, security in the having and holding of whatever he might acquire through his own effort.

It has been wisely said that when the economic freedom of the individual goes, there will go with it his political freedom. With political freedom lost—men afraid to speak out because of a real danger of political reprisal against their business undertakings, afraid that a government order for goods or a personal dole may be withheld—opportunity, and security of savings, likewise are in jeopardy.

It is the part of wisdom to evaluate the many new political proposals in this light. Philosophers like Spengler see momentous decisions in the making, not the least of which is the change in America's conception of the individual's relation to the State.

Members one of another

THE City of New York went to Washington the other day in the person of its mayor and chief financial officer and convinced the federal Government that it was solvent—so solvent, in fact, that it could borrow some more, this time from the federal Government. Not only did they borrow some money from a smiling Uncle Sam, but that kindly old gentleman beamed upon his visitors and offered to *give* them some money.

Among other gifts and loans is one for $23,160,000 for the completion of New York's subway system. Thirty

IF YOUR CUSTOMERS ARE WOMEN



No question about it. Whether or not your customers are women, dirty hands increase operating costs.

And nothing will do more to make clean hands a matter of routine or increase the confidence of your customers than soft, quick-drying *sanitary* A.P.W. Onliwon Towels. See to it that your establishment is equipped throughout with these economical but efficient Onliwon Towels. Clean hands are important to health whether or not your employés are salespersons in direct contact with customers. Wherever there are groups of people working together, the use of individual Onliwon Towels means less communicable disease and less time lost on account of illness.

A.P.W. Onliwon Towels in their sparkling clean Onliwon Cabinets give constant encouragement to frequent washing. Onliwon Towels are large and soft. They are wonderfully absorbent, and served double-folded to insure thorough drying. It's a fact that one Onliwon Towel usually does the work of several ordinary towels.

To make sure your washroom equipment is high quality in every respect, install A.P.W. Onliwon Tissue along with Onliwon Towels.

A.P.W.

NRA

ONLIWON SANITARY WASHROOM SERVICE

A.P.W. Paper Co., Albany, N. Y.

Representatives in leading cities.

When writing to A. P. W. Paper Company *please mention Nation's Business*

WE THAW OUT MANY OF YOUR *Good Customers* who are FROZEN IN DEBT!



• People who *owe* bills long past due are *poor customers*. Your best solution is to recommend a way out . . . fair to them and to you! Our service is for just such people. For the family that is not too deeply involved the Household Loan Plan offers a means of *immediate* relief . . . helps them pay you so you can keep their accounts active.

• People *want* to pay their debts. But oftentimes an accumulation of old bills during months of unemployment makes the task of repayment seem hopeless. For such people Household offers a plan whereby a family may secure a loan of $30 to $300 without bankable collateral. Thus old debts are settled . . . and a budget plan is arranged for the borrower so that small payments extending over several months will clear him of debt.

• Over a quarter million families were served by Household last year! Many of your customers—frozen in debt—were thawed out.

• We have a booklet which explains how the Household Loan Plan operates . . . it tells how families may rent money on the signatures of husband and wife at reasonable rates. This book will be sent you on request. Or if you wish, we'll gladly send a representative to discuss the Household Loan Plan with you.

HOUSEHOLD
FINANCE CORPORATION
and subsidiaries
Headquarters: 919 North Michigan Avenue, Chicago

• **MONEY MANAGEMENT FOR HOUSEHOLDS**



a helpful booklet in budgeting the family income, leading to the happiness of financial security, is offered without charge to your employees and customers. Mail or telephone their names to our nearest office.

OFFICES IN 104 CITIES

Illinois
Alton
Aurora
Bloomington
Champaign
Chicago
Cicero
Decatur
Freeport
Galesburg
Joliet
Moline
Oak Park
Peoria
Rockford
Springfield
Waukegan

Indiana
East Chicago
Evansville
Gary
Hammond
Indianapolis
Michigan City
South Bend

Iowa
Davenport
Des Moines

Maryland
Baltimore

Massachusetts
Boston
Springfield
Worcester

Michigan
Battle Creek
Detroit
Flint
Grand Rapids
Highland Park
Jackson
Kalamazoo
Lansing
Muskegon
Port Huron
Saginaw

Missouri
Kansas City
St. Joseph
St. Louis

New Jersey
Camden
Jersey City
Newark
Orange
Paterson
Trenton

New York
Albany
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Buffalo
Flushing
Fordham
Hempstead
Jamaica
Lockport
New York
Niagara Falls
Rochester
Syracuse
Utica
Yonkers

Ohio
Canton
Cincinnati
Columbus
Dayton
Springfield
Steubenville
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Youngstown

Pennsylvania
Allentown
Altoona
Chester
Easton
Erie
Johnstown
Lancaster
McKeesport
New Castle
Norristown
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Scranton
Wilkes-Barre
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Pawtucket
Providence

Wisconsin
Appleton
Beloit
Eau Claire
Fond du Lac
Green Bay
Kenosha
La Crosse
Madison
Milwaukee
Oshkosh
Racine
Sheboygan
Superior
Wausau

per cent of this is to be a grant and the rest a loan.

It seems a pleasant arrangement for the city. A gift of $7,000,000 and a loan presumably at low rates to extend her transit facilities. What could be happier for the 7,000,000 dwellers in that crowded community? Why, it's a dollar apiece for everyone!

But who gives and who lends? The money that goes into Father Knickerbocker's pocket must come out of some other pocket. Why, Uncle Sam, of course. He is the Santa Claus of gifts and easy loans.

But who is Uncle Sam? He's 122,000,000 or more of American men, women and children; he's 35 million families struggling to get ahead, to own their own homes, to educate children, to add to the comfort and enjoyment of life.

That's the Uncle Sam that is giving and lending to New York and to hundreds and thousands of other communities in the United States. Uncle Sam's treasury is not kept full by willing it so. He's a spender and a lender but he's a tax collector, too, and what he spends and lends he must, of course, collect. Unless he resorts to "making money" by saying that what was once called a dollar shall now be called two dollars and the man who had two dollars coming to him must be content with half pay. Heaven forbid that we should go far along that route!

No, in the end the givers and the receivers, the lenders and the borrowers are the same.

When settlement day arrives, who will do the paying?

Premiums on individualism

PARADOX points the insurance against President Roosevelt's death. An ear which makes the idea of collectivism a shibboleth still finds its hopes and fears intricately bound to the fortunes of one man. Business men in many lands are asking Lloyd's of London for protection against mischance to the President in his fight for recovery.

"Seldom in history," company officials said, "has the fate of one man and his policies held such universal interest."

As Lloyd's rate the odds, the chances of assassination are less than the chances that the President may die of natural causes. Policies were written in three forms: A premium of five per cent against Mr. Roosevelt's death by assassination or accident; a premium of 7.5 per cent against his death by natural causes; and a premium of 12.6 per cent against his being totally incapacitated for duty.

Whatever the labels of political faiths, men rather than measures shape the destinies of nations. The job of being President of a nation of 125,000,000 is its own dimension of importance in the eyes of a sorely tried world.

Wanted, a King

FOR sale: A garden of Eden, well stocked with birds, crabs, and fish. Tract includes 581 acres with continuous sea frontage. Present inhabitants go with the land. Price, $33,000. Apply to Marcel Everard, Mons, Belgium.

Possibly no such advertisement has appeared. But there is a Monsieur Everard, and he lives in Mons. This Monsieur Everard owns the island of Mehetia and he wants to sell it for 500,000 francs. He and his brother acquired title in 1922. His brother died in 1929 and now he is the sole owner. He planned to end his days on the island but the depression kept him in harness.

Not every day is there opportunity to set up in the king business at a price. The islanders are easy going, "willing to enter the service of a master for a few trinkets and the comforts of a tropical existence." As for subsistence, "one has only to stick his toes into the ocean to catch crabs."

Life in the Society Islands is not too simple or too true to be good, as the tales of the South Seas all remind us. Distance, perhaps, is the greatest obstacle to acceptance of the open kingship. It all sounds pretty leisurely—no traffic problems, no sales quotas, no deficits, no trade-ins, no salary cuts, no playing politics, just one long, continuous loll. Well might a distraught world convey reproach and envy in dubbing the lord of the island, "the big loafer."

The not so good old days

EVIDENTLY moved by our quotation from Webster in this column last month, Clayton Rand, of Gulfport, Miss., reminds us of the state of affairs 4,000 years ago, as chronicled by an Egyptian scribe:

> A few lawless men are depriving the land of sovereignty. The laws are cast out and men walk upon them in public.
>
> The lawbreaker is lord of wealth; the rich man has lost all. Scanty is gold; craftsmen are without work; the reaper of the harvest gets nothing, while he who plowed not profits.
>
> The land is depleted. There are more rulers than ever.

There you are! Crime; soak the rich; gold; unemployment; a farm problem; bonus for crop reduction; increase of bureaucracy. "The same yesterday, and today, and forever?" The question mark is the editor's, not Saint Paul's.



His Late Majesty King William IV
Engraved after an original drawing
expressly for Bell's Weekly Messenger, 1830

Gentlemen, the King!

If younger whiskies fail to agree, try King William and see how much better a mellow old Scotch will treat you. The difference in cost is very slight, but the difference in quality is tremendous. King William is on call at the best cafes and hotels. Every case delivered from a U. S. Customs bonded warehouse. Sole U. S. Distributor, Bluebell Importing Corporation, Graybar Building, New York.

KING WILLIAM IV

V·O·P

SCOTCH WHISKY

JOHN GILLON & CO., LTD.
Established 1817
GLASGOW and LONDON
By Appointment to His Late Majesty, King William IV

This advertisement is not intended to offer this product for sale or delivery in any state or community wherein the advertising, sale or use thereof is unlawful.



"Tomorrow, Today will be Yesterday!"

EVERY American of 40 years or more has *four times* seen his country beset by critical emergency.

Three of these emergencies were major depressions—the fourth was the World War.

Every one of these emergencies spawned its familiar brood of doubt, criticism, fear, despair—and *faith* and *determination.*

Every one of them proved finally to be parent to richer, finer chapters in the nation's history than it had previously known.

Today, once more men and businesses of faith and determination are moving steadily forward on the road of another great advance.

Goodyear marches in that progressive vanguard, and by force of the confidence, competence and justice expressed in its works, seeks permanently to deserve place there.

In the difficult years now passing it has developed and issued *a record series* of new products and services — culminating in the already famed Goodyear "G-3" tire and the matchless Airwheel*.

The people's readiness to reward the spirit of that endeavor is seen in the soaring sales of the "G-3" All-Weather, and in the popularity of Airwheels*, of which Goodyear is manufacturing five times as many as are all other makers of super-soft tires combined!

OUR CREED

"We are going to keep right on making the best tire on the market, we are going to keep right on making our franchise the most desirable any tire dealer can obtain, we are going to keep right on paying the highest wages in the industry, we are going to keep right on with our policy of fair and honest dealings with the public. This policy brought us leadership in the industry and this policy will keep us in that position no matter how hard blows the storm of competition."

P. W. Litchfield
PRESIDENT,
THE GOODYEAR TIRE & RUBBER COMPANY, INC.

*AIRWHEEL *is Goodyear's trade-mark, registered in the U. S. A. and throughout the world, and is used to denote that Goodyear is the exclusive maker of* AIRWHEEL *Tires*

THE GREATEST NAME IN RUBBER

GOODYEAR

NRA

NATION'S BUSINESS
★
A MAGAZINE
FOR
BUSINESS MEN
★

A Day We Celebrate

JULY 4, a day observed, as John Adams hoped, with "pomp and parade, with shows, games, sports, guns and illuminations, from one end of the continent to the other . . ."

The holiday commemorates a day of deliverance. From the lips of thousands of orators throughout the land the people will hear again the words which defined to the world the American philosophy of government.

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights.

The phrases of Jefferson still ring through a world a bit deafened with the clash of national wills and aspirations. The schoolboy will declaim them, letter perfect in his delivery. He is not expected to grasp the deeper meanings. But do older heads, more accustomed to taking their history from newspaper headlines, think through to the deeper meanings? We celebrate deliverance, but deliverance from what?

The schoolboy is taught that it was a red-coated figure. But the deliverance was not so much from John Bull as from what he stood for. He represented the European idea of the relationship of State to the individual. There, society was directed from above. There was no private enterprise as we know it. The individual was not free to strike out on his own. He was a servant of political power and, as a servant, took orders.

The Founders, whose day we celebrate, delivered the new nation from a system which looked to government as the directing and controlling agency, and conferred upon the individual the power to develop his resources to the limit, and to have and hold the reward, if any. The freedom, the opportunity and the security thus envisaged are tender plants which must be continually nourished by the people. They do not sustain growth of themselves. Foreign "regimentation" is behind us only 158 years. The heavy weight of tyrannous and capricious authority in the old world was very real to the men who came to America seeking freedom, political, religious, economic. For this ideal they starved, sacrificed, fought and died.

If the red men resorted to first principles to maintain possession against the newcomers, nature in the raw was no more hospitable. Privation was the rule. Hardihood became a virtue. It took a hundred years to get a foothold on the eastern seaboard. Defeat, disease, disaster were commonplace. The climate was a liability. The interior was no man's land, a cock pit for settling international rivalries and private grudges, disputed by wild animals and wilder men. Of that travail was born a new idea of government. Its founders prospered and multiplied. The nation became a world power.

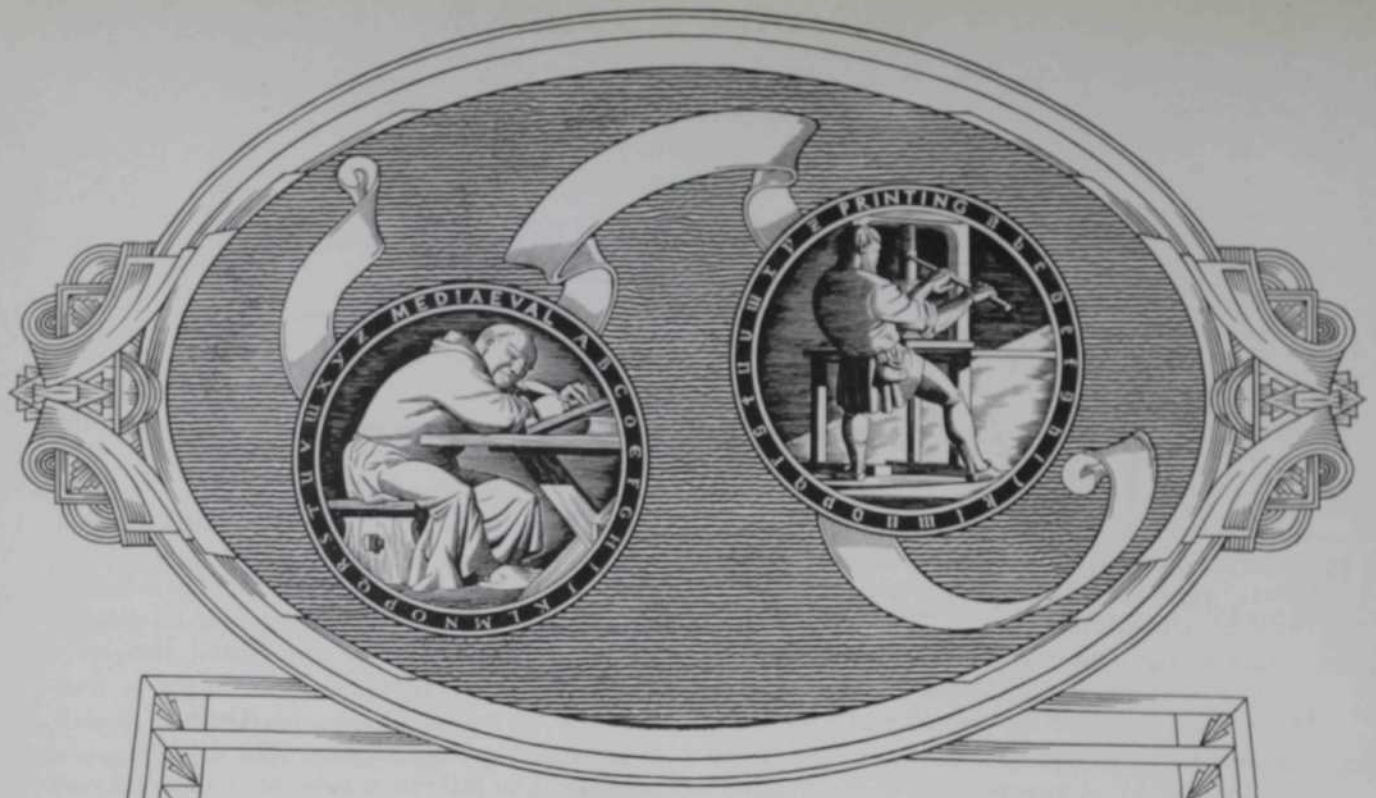
On the Fourth of July, 1934, it is pertinent to ask, "Can a relatively short period of adversity nullify America's contribution to government and to society? Are the 'self-evident truths' of yesterday a falsehood overnight? Must we subscribe to doctrines which make wise men of 1776 false gods today?"

We are, in a sense, trustees of certain Rights. Are we recreant to that trust if we doubt that resourcefulness and initiative are as essential in our own times as in the hard beginning when courage dressed in buckskin? Are we grown so soft and fat that we are ready to go back to the caprice of political control in order to get a doubtful mess of pottage? Can we sincerely commemorate the Day, and those who made it possible, by surrendering their democracy for the bureaucracy they hated and fought and delivered us from?

The trustees must preserve a fair field for enterprise; must again extol and reward prudent living and endeavor. Quit scolding the ant; exhort, rather, the grasshopper. Depend less upon compulsion by law; depend rather on the decent opinion of mankind, which has no mean record since 1776 in behalf of sane social service.

What we need is not a re-delegation of our powers; we need a re-dedication.

Merle Thorpe



"WORK OF ART"

Some of the greatest art in the world is the handiwork of the old printing craftsmen. But have you seen the really fine work the Mimeograph is turning out today? Do you know how easily it makes exact duplicates of all kinds of line-drawings, charts, graphs, etc., with typewriting and hand-lettering on the same sheet, as desired? And this good craftsmanship is produced at high speed, by the thousands hourly, and at low cost. Illustrations give to Mimeographing a much wider range of usefulness, in business and school activities. Latest improvements have brought Mimeographing to a high state of excellence. Learn of them today, and convince yourself that the spirit of the old craftsmen still survives. No obligation, of course—but write A. B. Dick Company, Chicago, or refer to your classified telephone directory for local address.

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NATION'S BUSINESS

July • 1934

★

We, the People

By RAYMOND WILLOUGHBY

THE conventional statistics on the economic life of the American people for the past four years have measured the depths of fear rather than the heights of faith. Industrial production, factory employment, car loadings, value of imports and exports, bank debits, help to chart the mercantile health of the nation. They do not reveal the larger picture of American individualism. Here is a part of the record written by the American people themselves—a self-portrait of a nation seeking a translation of life in the face of one of the most trying periods of history

AS SURE as the next generation finds its voice, depression shocked veterans are going to hear, "Pop, were you afraid of the big, bad Wolf?"

Now, the answer to that question gets down to a belief in signs of the times. Are they to be taken at their face values, or are they merely symptomatic of a state of mind? It takes no jaundiced eye of pessimism to discover the litany of liquidation:

"Going Out of Business," "Fifty Per Cent off for Cash," "Sheriff's Sale," "Auction Today," "To Let."

As for the idea that America is a nation of "yes" men, try to explain away these forbidding notices:

"No Admittance," "No Checks Cashed," "No Parking," "No Smoking," "No Thoroughfare."

Even our politics is tinctured with the travail of progress. "Keep to the Right" and "No Left Turn" constitute their own intimations of a social as well as a personal hazard. And for a finale of frustration, the cynic can cite "Choose Your Exit" and "Zone of Silence."

Prohibition, inhibition, admonition everywhere, but not a sign of life.

Even the Statue of Liberty undergoes alterations as a PWA project, and the Fourth of July, like as not, is observed with a "Do Not Disturb" quiescence.

The day when the factory whistle was the national reveille is gone forever, say the mourners. Prosperity has been repealed. The horsepower of progress is a nightmare. "America, you have been thrown for a loss. You will be out for a long time."

So say economic diagnosticians.

What the people think of this summary and gratuitous dismissal of their lives and works is, of course, another story. It is a serial story, and the concluding chapter is not yet in view. It is the story of a people who have been forced to make long detours in attaining their objectives, but who have in the main observed the traffic text, "Keep Moving."

The American ideal which James Truslow Adams named "The American Dream" in his Epic of America is not the somnambulist adventure of a people hypnotized with the mirage of a magnificent national destiny. The ideal is plastic. It requires a continual redefinition of the old values of truth, beauty, pleasure, happiness, liberty, justice, and peace. The investigator who seeks to explain the durability of the national entity in the face of recurring economic upheavals and dislocations will look beyond the conventional measurements of life in these States.

No one is likely to gainsay the usefulness and importance of the figures on factory production, employment and pay rolls, freight car loadings, department store sales, value of imports and exports, bank debits, construction contracts, wholesale prices, and bank loans.

But who can assess the significance of the books the people read, the music that captivates their ears, the changes in fashions, the modifications of the proprieties, the new "isms" which tenant their minds, the games and sports which sweep the country and then as quickly pass into the limbo of outworn fads?

The major premise toward any judgment of the American people is that they hang on, they sustain the business of actuarial computation of life expectancy. How they have spent four years of depression is an epic in itself.

Daily life went on

THE underlying unity of the American scene is not always easy to perceive. The great currents of life have moved forward, at times swiftly, at times sluggishly, making statistics and history as they flowed, persistent in their progress, but deflected here and there by the influences generated by the depression. Americans married, Americans were divorced.



KABEL

Our Greatest Natural Resource

★ THOSE who demand a sign to sustain faith find little comfort in the familiar measurements of trade and industry.

But, giving pessimism the full weight of the logic of events, it is still possible to believe that progress is more favored by the "intangibles" of the situation than is regression. The changes which have taken place in our ways of looking at the depression are so profound that they constitute a new national psychology.

Impossible as it is to appraise their position by statistics alone, the people have come to see that there is an imponderable and vital element in human affairs which eludes quantitative description, but is, nevertheless, the determining force of their destiny.

Salvation, the people are discovering, is not a matter of showy deeds in the light of a revealing publicity. Nor is recovery to be accomplished by one epic feat. The steadier, surer course is defined by the emerging resolve of the people to depend upon familiar verities.

Life on the American plan will be revalued by the rising generation in its own time and judgment. This junior America is in the mold, plastic, eager, trustful, its eyes set upon wide horizons. In these young minds and hearts is the hope of the future, the country's greatest natural resource.

they went to school, they went insane, they committed crimes and went to prison, they went to the polls, they sent and received messages, they travelled, life began for millions, and came to a full stop for other millions.

A study made by editors of the *American Journal of Sociology* defines the trends. The percentage of married persons in the whole population increased from 60 per cent in 1925 to 61 per cent in 1930. The rate for divorce decreased from 1.7 in the thousand in 1929 to 1.3 in 1932. The number of married women employed jumped from nine per cent in 1920 to 12 per cent in 1930. The percentage of students in high schools to all those of high school age rose from 42 per cent in 1928 to 57 per cent in 1932. The insane increased from 50 per 100,000 in 1928 to 54 in 1932.

Prisoners received from state courts advanced from 42 per 100,000 in 1928 to 50 in 1932. The percentage of the voting population actually voting, 51 per cent in 1924, moved up to 61 per cent in 1932. The average American got 360 letters, telegrams and telephone calls in 1928, and 310 in 1932. The average American travelled 3,230 miles in 1928; in 1932 his mileage was 2,930.

From a total of 119,861,600 souls in 1929, the Census Bureau reports the continental population advanced to an estimated figure of 124,822,000 in 1932. The birth rate declined from 19 in the thousand in 1929 to about 18 in 1932. Similarly, the death rate moved down from 12 to 11 in the same period. These rates were 20.7 and 12.2 respectively, in the so-called normal year of 1926.

If relatively fewer Americans entered this troubled world, fewer left it, though suicides increased from 13.6 in 100,000 in 1928 to 16.8 in 1931. Murder was fairly static at 8.8 and 9.3 in 100,000 for the years indicated. Lynchings dropped from a total of 30 in 1926 to eight in 1932. Immigrant aliens admitted to the United States totalled 304,400 in 1926. In 1933 the number fell to 23,000. How hard times affected this human tide is acutely accented in the net increase or net decrease of the total population by the arrival or departure of aliens. In 1926, the net gain was 268,351. Last year, a decrease of 93,000 was noted.

Professor William Ogburn of the University of Chicago offers the assurance that there is no crisis in the problem of population.

Emigration exceeds immigration. The birth rate falls more rapidly than the death rate. Indeed, the death rate will rise while the birth rate will continue to fall. But this reduction in the rate of increase of the population will not come quickly enough to alleviate the present unemployment, which may continue, though in smaller volume, for some time.

What accidents cost the nation in wages and in man power is the special concern of the National Safety Council. Wage losses and medical expense last year totalled $2,000,000,000—an impressive figure even in these days of fiscal legerdemain. Loss of lives totalled 89,500—71.2 for each 100,000 of population, the lowest rate since 1922. Disabling injuries for the year stood at 8,500,000.

Motor vehicle accidents accounted for 30,500 deaths. Occupational mishaps cost 14,500 lives. Accidents in homes took 29,500 lives, nearly as many as charged to automobiles.

The family is declining

AGAINST the impression that many Americans are living with their folks, or are lived on by their relatives, it is worth while to point out that the size of the American household declined from 4.2 in 1920 to 4.0 in 1932. Possibly some fractional allowance should be made for the rumble-seat vote.

That living has been harder in the past four years few will contest. Amputations of employment, earnings, and pay rolls have invited belief that the whole nation had shut up shop and gone on relief rolls. No doubt about it, there are fewer millionaires. Incomes of $50,000 a year declined from 45,000 in 1928 to about 5,000 in 1932—an indication that time and change work their own redistributions of wealth. The fact that the national income was cut in half changed many plans. That the country was better off than at the beginning of the century is a verity which gets no headlines.

"How badly are we hurt?" asks the Golden Rule Foundation, which sponsors Golden Rule Week and Save-To-Share programs on behalf of the unemployed and others in distress. A survey report by the foundation answers the questions.

In one generation (1900 to 1929) our national wealth increased from $88,517,206,800 to $335,029,000,000—a gain of nearly 400 per cent. Our annual income during this same period increased from $17,965,000,000 to $85,200,000,000—a gain of more than 400 per cent. Savings bank deposits increased four-fold from $7,000,000,000 in 1910 to $28,250,000,000 in 1929. Though the depression, with its toll of unemployment had, by 1932, reduced our national wealth to $247,000,000,000 and our annual income to $40,000,000,000, we still have wealth and income double that with which we began the century. Mutual savings deposits actually increased to more than $1,000,000,000.

On that amount of money the American people are able to do a good deal. They saved and they spent for what they hold dear as well as for necessaries. Christmas, for example.

Through Christmas Clubs, $350,000,000 was distributed last year to 8,000,000 members. Engaged in this pleasant disbursement were 6,000 banking institutions and other organizations. While the total fund was about 20 per cent below the figure for 1932, the individual share of $43.75 was slightly larger—and more by $3 than each man, woman and child in the United States would get if all the cash in circulation had been equally divided.

Where the money goes is no riddle. Judging by past performances, Christmas shopping accounted for 42 per cent, about seven or eight per cent of the business ordinarily done by stores chiefly sensitive to the gift-giving urge. Permanent savings and investment were credited with 26 per cent, and year-end commitments with eight per cent. Taxes used up 12 per cent. Mortgage, amortization and interest, five per cent, insurance, five per cent, education, travel, and charity, two per cent.

Apply that allocation to the total of $350,000,000 paid to the savers, and you get evidence of thrift sizable enough to stir the most sluggish business into visible signs of life. The paragrapher who tossed off the line that a pocketbook is a good gift but only excess baggage to a nation travelling light did not know his Christmas Club.

Income is halved

LIGHT on the effects of the depression is provided by the National Industrial Conference Board analysis of changes in the national income from 1929 to 1933. According to the Board's preliminary estimates for 1933, wages and salaries paid out to employees in all occupations were $30.9 billion, or 77.8 per cent of the total national income produced, which amounted to $39.8 billion, while only $8.8 billion was available as return for labor, management, and investment of proprietors of farm and other business enterprises, independent professional persons, recipients of rents and royalties, and security owners. Between 1929 and 1933, the Board's report shows, the aggregate of wages and salaries paid to employees declined 41.5 per cent, while the produced income available for farmers, other business enterprises, and professional persons, for rents, royalties, interest, and dividends declined 70.8 per cent.

The American dollar, although worth only 63.8 cents in gold at the end of 1933, had an internal purchasing power considerably more

than that of the dollar of 1926. Also, the December, 1933, dollar, as compared with the 1926 dollar, had more purchasing power for some groups of commodities than for others.

The man who took his dollar to the farms in December, 1933, could buy 100 per cent more than in 1926. If he went to the wholesale markets he could buy 41.2 per cent more, but, if he excluded from his purchases farm products and foods, he could buy only 29 per cent more of other commodities. On the other hand, the wage-earner who bought at the retail stores, paid his rent, and met the other expenses of living could get 34.3 per cent more for his dollar than he could in 1926.

The rash of economic planning which broke out over the country was paralleled by the increase in inventions, the number of patents issued increased from 42,000 in 1928 to about 54,000 in 1932, though it dropped below 50,000 last year.

Don Marquis once said that "the average man is always a little better than the average." Welcome as his judgment might be, it seemed more informed with understanding fellowship than with supporting exhibits. Proof comes from Fort Madison, Iowa. Citizen Roy Gray, designated six years ago by a magazine as "the average man," is making a better-than-average showing in business. He has a larger store and a larger stock of goods than he possessed in 1929. Interviewers say he thinks the "average man" publicity may have helped his business some, but he is not sure he would accept the nomination if it were again offered to him. Tush, Mr. Gray! America expects every man to raise the average.

Reading is more popular

ALONG with writing to their Congressmen and practising budgetary arithmetic, the American people have managed to do considerable reading. A report by the American Libraries Association indicates that since 1929 more than 4,000,000 new borrowers of books have registered, bringing the total count of the library public to 24,000,000, exclusive of the crowds who use the reading rooms without borrowing books—a situation which gives substance to the assertion that "a greater number of homes are reached by the libraries than by any other service except the water mains."

Unable to supply employment for all their citizenry, Boston's city fathers determined that at least they could supply pleasure and instruction by establishing a public library branch in the Parkman bandstand, and a librarian and a stock of fiction were forthwith installed. Patronage, according to reports, was enthusiastic and immediate. Happy the city that can point to "book lines" instead of "bread lines."

A distribution of 7,800,766 Bibles, Testaments, and portions of the Bible during 1933 in 155 languages and dialects and in more than 40 countries is reported by the American Bible Society. The reports of distribution in the United States showed not only a larger circulation than in 1932 but also an increase of more than 50 per cent in the circulation of entire Bibles. Against this record stands the statement made by one of the Society's workers who, in calling upon nearly 8,000 American homes during the year, found practically 40 per cent of the homes without Bibles. In a western state one family admitted that for four generations its members had been without a Bible.

Church membership, Protestant and Catholic, has varied little throughout the depression, the rolls showing that with regard to all adults the churches kept close to 45 per cent in the period 1928-1932, inclusive.

Nineteen-thirty-three was the year that began with technocracy and ended with the repeal of prohibition. There were plenty of books about both, but the book of the year was a book of escape. The future may return a different verdict but, to the book readers, 1933 was the year of "Anthony Adverse." It was published the last week in June, and before the end of the year was nearing its three hundred thousandth copy. Its first six months established, in the midst of the depression, a record quick sale. Booksellers recall no other book which so rapidly crossed the quarter-million mark in the United States.

A decrease of 274 publications was noted from 1933 to 1934 in the periodical publishing field, the totals declining from 21,109 to 20,835 with losses chiefly traceable to the suspension of weekly newspapers and trade periodicals. A gain of 220 was reported for general magazines.

If there has been extra need for a new buoyancy of spirit, the wherewithal has not been lacking. A whole nation experienced a quickening of morale in contemplating the eye-filling wonders of Chicago's brilliant fair, the augmented marvels of the Golden Jubilee edition of Ringling's circus, and the antic allegory of Walt Disney's "Three Little Pigs."

"We were all knocked silly," was

(Continued on page 64)



HORYOCZAK

Depression has demonstrated that the strength and stability of the nation stem from individual self-reliance, from resourcefulness in making business and household ends meet. America is solvent and open for business today because millions of citizens kept books and kept their heads

What's Ahead in Washington

W. M. KIPLINGER Offers His Usual Monthly Review

Dear Mac: IT'S summer, and you don't want to worry about Washington any more than is absolutely necessary, but you've got to watch it closely out of the side of your eye.

One way of avoiding unnecessary worry is to assume at once that certain things are going to happen, to count on them, to discount them, to prepare for them, and thus to guard against surprise when they happen.

In addition, there are other things which may or may not happen, and these are things to watch with special care.

To keep in mind a few of the high points in each category ought to be generally helpful. It's like studying a road map before the journey. It doesn't show you exactly how to drive, but it gives you a bit of a sense of direction and location as you drive. If it's a rough road, as this summer is likely to be, it does no harm to know in advance where the rough spots are.

Things to Assume

THE summer decline in business, beginning in June, running through August, will be more than the normal summer decline. This is bad news, but it is less bad if recognized now rather than later.

The depth of the decline below seasonal will be serious in many small ways, but will not be critical in any large way. I don't know how much it will be, and I distrust most of the estimates, but I think in terms of eight per cent or perhaps ten per cent more than seasonal easing of business volume. This isn't necessarily accurate, but it's a sort of rough measure of expectancy.

The usual fall upturn probably will be delayed, and when it comes it may be less than the usual fall spurt. The practical value of recognizing this as a possibility lies in the influence it may have in determining your plans for either caution or expansion. It suggests that you think in terms of six months pull rather than merely the July-August pull.

Average prices of basic commodities probably will tend to rise, but not much, not fast, not spectacularly. The rise will be due to many influences, but mainly to the undertow toward inflation.

Prices of manufactured goods probably will tend to fall, due to the temporary suspension of the increase in purchasing power, and to the resumption of price competition which has been held in abeyance by codes in the past year.

The losses of the drought must be paid by business of the entire nation for the next six months or more. New evidences of the loss will be coming to light in workshops far removed from the drought regions themselves. On the credit side of the drought ledger will be many items of higher prices to the agricultural regions beyond the drought, but not enough to balance the account.

Strikes and near-strikes will be bad. The government fire department will prevent many strikes, and put out others, but it can't stop all. The immediate result will be curtailment of production, profits and buying power.

Washington will offer no major reversals of policy in the course of the summer. There will be some pretty big changes, but no outright reversals. New policies will be straws in the wind, but the wind will not change general direction. It's important to maintain a sense of proportion on these Washington things, so as not to overrate new policies as they burst out in the news.

Government expenditures will continue at a high rate through the summer and fall—for relief, for payments of this-and-that, for public works. These are the props which keep business from sinking far below seasonal. They are beneficial in the short-range sense, disquieting in the long-range sense because they postpone the pick-up in normal private enterprise which is immeasurably more productive of goods and jobs than government programs are.

Assume that NRA and AAA will narrow their fields of operation, reducing their programs to more workable proportions. Look for a long series of reorganizations, changes in set-up, modifications of policies. But as each installment of the series comes along, don't regard it as the beginning of the fold-up or shut-down of either NRA or AAA. Government regulation of private business is with us to stay. The only question is *how*, or *how much*.

There are other things to assume, but these are major.

Let's repeat: More than seasonal summer decline, delayed fall upturn, slightly higher prices of basic commodities, slightly lower prices of manufactured goods, big net national loss from drought and strikes, no sudden reversal of Washington policy, continued high government outlays, continued government regulation of business, but with modifications.

Things to Watch

INFLATION is not imminent, is not overhead, is not likely to break upon us suddenly this summer, but inflation is in the air, is implied in most of the government policies. The steps are slow and halting but the nation's face is turned toward inflation. The time element is highly uncertain and unpredictable.

Everything hangs on government credit. Watch, therefore, the market for government securities. They have held up well in the past, showing the strength and resiliency of government credit, but showing also the tendency of unemployed capital to fall back on taking jobs with the Government, as unemployed men have done. There are no signs that government credit will not continue to hold up during the next few months. But it's a thing to watch. Any weakness of government securities would not be immediately critical, but it would be a pointer toward later inflation.

Watch NRA and AAA on their price and competition policies. NRA is bound to take further steps toward freer competition, but the particular point is this: How rapidly will NRA compel industry to get down off the price-fixing stilts which some of the codes created? If gradual, all right. If precipitate, then certain industries may have a new price competition panic. Without being unduly alarmed, watch.

Watch war. It's one of those things hard to talk about

plainly, because there's no telling when or where the forces will come together. You can see that war is coming, but you can't figure whether it will be this year, or next year, or the year after. You don't like to think about it in your day-to-day business cogitations, but you've got to think about it a little. War and uncontrolled inflation are two things which would knock all ordered plans into a cocked hat.

To repeat: This summer watch inflation straws, the government bond market, NRA and AAA price policy, war.

Weighing Washington

IT'S easy (and more fun) to fume and fret and rail against Washington. It's hard to keep a sense of balance, to realize that "bad" policies are not altogether bad, that "good" policies are not wholly good. It's hard to realize that Washington isn't a power all by and of itself, that it's merely a focal point for tens of thousands of out-around-the-country influences, each with its special interest and viewpoint. Holding this diverse country together is a tough job.

As a citizen, you can think what you please of Washington.

As a business man, with a job to do, you've *got* to study the Washington compass to steer off the rocks. Trouble is, of course, that there are many other compasses, and no one is absolute.

This raises the question of just how much weight to give to Washington. There's no flat general answer. I know some business men who pay too much attention to Washington. They think it's an oracle, which it isn't.

I know others who are so incensed at Washington that they close their eyes, stop their ears and even hold their noses. Neither plan is good.

Generally, it seems to me, Washington has too much megaphonic power. The official voice bawls louder than it should. The publicity mechanism is highly developed, and the public man works it hard to show the folks back home how he's doing. And the prestige of distance increases in accordance with the square of the distance.

I don't mean to run down Washington. I mean merely to suggest the advisability of a realistic attitude toward Washington—as if it were your city hall, police station or court house. It's overrun with trade groups, which are like citizens' improvement associations in your local government.

No difference, except in scale.

Election Fuss

THE congressional election campaign this summer and fall is the biennial nuisance. The trouble is that candidates exaggerate everything. They paint grey as black, pink as red, and muddy white as pure white. Hence the need for your first-hand observation of Washington, as an antidote for candidates.

If you believe 90, 80 or 70 per cent in Roosevelt policies, you should vote for Roosevelt members of Congress. If you believe ten, 20 or 30 per cent in Roosevelt, you should vote for anti-Rooseveltians. Party tags on Congressmen (either party) mean less this year than at any time within a generation. The issue is the New Deal, the New Deal is based on Democrats, but actually it cuts across both party lines.

It is a point worth remembering that by and large, the Democratic members of Congress are much more conservative, much less liberal, than the Democratic appointive officials who dominate the Government.

The outlook is for retention of control of Congress by Democrats as a result of the fall elections. Next year's Congress will be more aggressive than this year's Congress. There is chance for modification, but not for overthrow of Roosevelt policies.

Reforms

DON'T figure that the reform period is ended by the adjournment of this first Roosevelt Congress. Temporarily, perhaps, but not permanently.

Next year will come much social legislation, such as unemployment insurance, perhaps old-age pensions, more labor legislation, some sort of permanent industry control to replace NRA, some new big scale housing scheme.

Also tax reform, including higher taxes on middle-class taxpayers, higher estate and inheritance taxes, and some scheme for coordinating the taxes of federal and state governments.

Also further steps toward experimenting with the economic planning of great areas, like Tennessee Valley.

We are in the midst of reform, not at the end. I mention this prospect because occasionally I think I detect in you a feeling that now the big blow is all over and that the political future will be calm. To assume this does not seem to me to be accurate.

Plans for further reforms are in the mind of the President, and this fact may serve as explanation for some of his utterances during the summer. If you are planning your business on expectation of an absolute assurance from the White House that there are no new reforms on the horizon, you are probably planning wrongly.

Note that in a recent message the President spoke a few good words for "reasonable and legitimate private profit."

Catch-Hold of Business

YOU asked whether Washington foresees a catching hold of private business enterprise and initiative with sufficient vigor to take up a substantial portion of the existing unemployment. Frankly, I don't know. This isn't merely my individual weakness; it reflects the haziness among many of the government technicians whose thinking in the past has been sound.

These things seem true in retrospect: Much of the business stimulation of the past six months has been due to government spendings. Codes have helped a few lines, but increase in activity and in purchasing power is probably due less to NRA than to government spendings.

The situation at present seems to be this: Government spendings are continuing and must continue for the greater part of a year. The transition to private enterprise to take up the slack is not yet evident.

The transition may come, little by little, bit by bit, without anything big or spectacular to mark it. Fall seems about the closest period at which to hope for it.

Meanwhile the Government is just beginning to recognize acutely that you can't whip individual business units into doing what you know business at large ought to do. The theory is fine, but people don't respond. The habit of individualism is too strong to be broken by one short year of fragmentary well-meant reform. Thus the Government will be faced late this summer with a problem: How to get business enterprise to do the things which government enterprise has been trying heroically to do, but which it cannot do unless and until our system goes much further along toward socialism.

On the short range, I foresee a few gestures this summer toward the wooing of business, but no big, strong, bold strokes.

On the long range, the set of circumstances suggests ultimate resort to the cathartic of inflation, thus promoting speculative activity. But as for the timing, I don't know.

Inflation

THERE are several angles from which to view inflation.

Currency inflation is one angle. We have all sorts of laws to make currency inflation possible, but the *will* of the Administration is against it at present, and it is a lesser angle.

Expansion of bank credit is another angle. Already we have expanded tremendously the lending power of financial institutions. Thus we have inflation dormant, but not inflation active, because banks aren't lending in an inflationary spirit.

Government financial need is the match which may eventually start the inflation fire. The Government is doing things which cost money. They cost more money than Government gets from taxes. Year after year this process goes on, always with the promise that budget balance is not far off. Resort is made to devaluation of the currency, to addition of silver to the currency, to billions of borrowings. As long as nothing happens, the process is continued, a step at a time. Still things seem all right. Another small step, then another step.

The psychology of inflation is a good deal like the psychology of the fictitious New Era which came to an end in 1929. The technique of government financing these days suggests the technique of Insull financing in the old days. Too much hangs on one thread. Now it is the thread of government credit. The official element thinks it will stand the strain. It may.

Budget

THE federal budget was balanced in 1930. Since then it has been unbalanced, in the first year by one billion, the next year by three billions, the next year by three billions, this year now ending by more than four billions. Total deficits in four years, 1931-34, 11 billions. Consequent increase in federal debt, from 16 billions to 27 billions. Next year another deficit of probably four or five billions, making debt a year hence around 31 or 32 billions.

The arithmetic itself isn't alarming. We can carry the charges on that much debt, especially at the low interest rates expected during the next few years, when all capital must work at exceeding low wages.

Investor confidence stands or falls not over the principal of the debt itself, but over what uses are being made of the outlays, and what provision is being made for the revenues. The helter-skelter scheme of the present is not conducive to investor confidence. The Government probably will be faced with sharp realization of this some time within the next six months. When the time arrives it probably will prove politically impossible to curtail sharply the expenditures. Consequently there *must* be resort to the other expedients, new taxes or fiat money, or forced borrowing.

Taxes

A PRINCIPAL issue before Congress in January, February and March, next year, will be a new tax law. It might not be necessary if there were to be a big business revival between now and then—something resembling a boom. But it looks as if this were not to be expected. Consequently it looks as if Congress next year would be forced by budgetary and government-credit considerations to raise taxes.

It's too soon to figure where and on what taxes will be raised. It is not too soon to intimate that the British tax system will be used as a partial model, for the British Government has already passed through some of the socialistic perplexities which are now plaguing the less experienced American Government.

It is reasonable to suppose that next year's tax law will provide higher income taxes and higher death and gift taxes. It is impossible to say whether there will be a general sales tax.

Silver

THIS new silver bill doesn't mean much to you in your day-to-day business matters in the next six months. It is merely one segment in the inflation picture of the future. It may lead to bimetallism two or three years hence, a world bimetallism, a world currency inflation. But the immediate prospects for world monetary agreement are so hazy that they are hardly worth worrying about for the present.

Tariff

UNDER the new tariff bill the Government can now bargain with foreign governments to adjust political barriers so that we can sell more of our goods abroad. But we must also buy more goods abroad. This means imports, and most imports are directly or indirectly competitive with domestic products. Thus we shall bargain the welfare of our export industries (with their wage-earners), against the welfare of our protected industries (with their wage-earners). The bargaining is internal.

War debts: We lent goods, not money. We are not willing to accept goods in repayment. Hence war debts are sentimentally alive, though actually dead. The fault seems divided between us and debtors. There's been shortsightedness on both sides.

Other Things

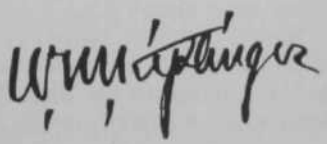
THERE should be a moderate revival of new security offerings in late summer and early fall, due to amendment of the Securities Act. The new housing program is a small good thing for business this summer, a slightly better thing for business this fall, a big thing for business next year. Government in the future will go more and more into financial aid and promotion for housing, especially the rehabilitation of blighted city areas. Growth of labor union membership and labor influence must be expected for several years; the Government is "pro-labor." Many investors are shifting to companies whose labor relations are generally satisfactory. The Government lacks enough good men to execute the big laws; new blood is badly needed. Civil service standards established by Theodore Roosevelt are being undermined by Franklin Roosevelt, through his man Farley. Efficiency is being sacrificed to patronage.

Circumstances Alter Cases

APROPOS of our Government's tendency to command business to do things which sometimes it can't do, Strickland Gillilan, the serious-minded humorist and keen observer of Washington, tells a story:

The Lion, King of Beasts, called a council meeting in the jungle. All the animals came and gathered round. "Sit down," ordered the Lion. All sat down except the Ostrich. "Ostrich, sit DOWN," roared the Lion. "Now King," replied the Ostrich, "I am a loyal supporter of yours, and I want to obey you, but sometimes there are special circumstances which you don't take into consideration. The trouble in my case is that for a week I've been hiding out from my wife, and I'm sunburned."

Yours very truly,



June 11, 1934.

How is the Small Man

By HUGH J. HUGHES

COPPERY sky and swirls of dust. A wind-bitten home in the center of that shifting region known as the "dry belt." A few head of stock lashing at the flies with their tails, munching baled hay out of a rack in the barnyard. Clothes, newly washed, clean and patched beyond all belief, flapping on the line. A man, dark-eyed, dark-haired, born somewhere beyond Vienna, standing in the door. Casual words of greeting. And then:

"Any crops this year, Neighbor?"

"No crop."

"Not even any potatoes?"

"No potatoes."

"But you have some cows."

"Sax coo."

"And the feed for them?"

"Gov'ment."

"How many children?"

"Four."

"Did you put in any corn this spring?"

"Eighty acr."

"And any wheat?"

"Fifteen acr."

"How many pigs?"

"Keep 'bout 80."

"Sows?"

"Four sow."

A boy came and joined his father, looking up at the stranger. My heart went out to him, and to the mother, moving soundlessly in the kitchen.

"Have you been to Madison to see about your corn-hog allotment?"

"Wat iss?"

I explained to him that Uncle Sam was giving out money to men who were situated as he—allowing them for reduction of the corn acreage. If they had corn, allowing them to borrow on it. That perhaps—I could not be sure—perhaps the County Agent could find a way for him to get some of this money—money that he so much needed.

He looked at me, unbelieving. Why should I drive out there in a car and joke with him? I pressed the matter:

"Won't you get into my car and drive into town with me and go see the County Agent? Maybe he can do something about it. . . ."

Short, stocky, swarthy, standing there in patched clothes, and clean, he looked up at the sky. Along the southern horizon, well down in Nebraska, a dull haze was forming. He looked at it long, with the practiced eye of the plainsman. And then:

"All I ask of my God is some rain!"



How about letting us New England farmers alone to work out our own problems?

II

A RICH valley in the New England hills. A farm with deep-sodded pastures and warm fields. Dairy barns. A silo. All the equipment of a modern farm dairy. A well-to-do home. And a business-farmer talking:

"This dairy reduction program—how are we to go about it? The AAA wants us to cut down the number of milch cows in the nation—wants each of us to do our share in that reduction. But will it tell me how I am to do it?"

"You will get a bonus of 40 cents per pound on all the butter-fat up to 20 per cent of your output taken out of production," I reminded him.

His gray New England eyes narrowed:

"Yes! And when I've wrecked my plant—when I've turned part of my business over to somebody else, and the emergency ends, who will bring back my lost market?"

"But you can take your choice and pay the butter-fat assessment tax," I reminded him. . . .

". . . and go into the red!" he finished for me. "How about letting us New England farmers alone to work out our own problems? If we aren't smart enough for that, perhaps we aren't smart enough to keep on the right side of the ledger under government direction."

III

A GEORGIA mule was plugging along with its head down, pulling the plow that was turning under the third row of cotton.

"Howdy!"

"Howdy, Mistah!"

We sat and talked cotton—in the cotton patch. It was all a puzzlement to Sam. He was a six- or seven-bale farmer, and he didn't like the prospect of becoming a four-bale farmer—didn't like it a bit! But Massa Gov'ment had told him to plow down his cotton and he was plowing it down. . . .

"Reckon Ah'll git rich growin' less an' spendin' mo' money!" he observed, with a philosophy strikingly like that I had heard in the Washington committee rooms. "Ah likes a big crap, but if Massa Gov'ment says . . ." and he slapped a line over the back of Ol' Jezebel and went on down the cotton row.

IV

A LAZY wind pushed fleecy white clouds slowly across the sky of the Eastern Sho'.

"And how are your farmers getting along?" I asked the Potato Man.

"Times have been hard these last years."

"In the old days you used to have a good market outlet in Cuba," I reminded.

"And the sugar tariff came along and spoiled that," was the answer.

"How . . . ?"

"Cuba didn't have much to hit back with, but it piled enough tariff onto potatoes so that we can't get across the Strait. . . ."

I dodged a further tariff discussion by reminding him of the market outlets to the west—Saint Louis and Chicago, once ready buyers of the

Getting Along?

Drawings by Charles Dunn

FARMERS have always been chronic grumblers, it is often said, but we're all grumblers in varying degree. These thumbnail interviews with men on farm and street, gathered by the former director of markets of Minnesota, serve to reveal some of the things we are grumbling about and to reduce some of our national problems and policies to human terms



He looked at the sky with the practiced eye of the plainsman. "All I ask of my God is some rain."

choice stock the Eastern Sho' shipped out in large volume.

"The Kaw Valley and Missouri got those markets when the I. C. C. remodeled the Mid-Western rate structure. We are shut out by freight differentials. It's getting harder . . ."

"Anyhow, there's your home market along the coast, from Florida to Boston."

"With the agricultural agents down in North Carolina doing their level best for their local communities and getting them into potato production in a large way. . . . Directly competing with us!"

"So you have to cut production?"

"Can't do anything else. . . . There's the cost of fertilizer: gone up 20 per cent or more this last year. . . ."

"Why?"

"Look into the NRA codes for the answer."

"How are the farmers standing it?"

"It's hard going for them. The storm of last fall destroyed their feed crops. They are out of money and feed and have to have help. The Government has come through with loans that will be of great help to our growers—loans that it secures by taking a first lien on the crop. . . ."

"So far, good," I answered. "What about restriction acreage, after the fashion of the Bankhead plan?"

"We've got to come to it!" he declared. "If Government is going to shut off our markets, then the least it can do is to portion out to us our share of the supply for the markets we keep."

Here was tied together cause and effect—government interferences with the natural development and flow of business, on the farm and elsewhere, compel those interfered with to demand still further government interference—only this time in their own behalf.

I noticed no newly painted farm houses along the Eastern Sho'.

V

This time it was not a farmer, but a tinner in a big city talking—a "little" tinner, if you please—a good workman, shrewd, steady, in love with his wife and three children and his home purchased in better times, the upper floor a comfortable suite of rooms, the lower a shop where he shapes gutters and eave-troughs and cornices.



"After the union passed its new rule I couldn't take small jobs and stay in good standing. So I quit."

". . . and you see I couldn't keep in the union. What shut me out was this: They got a rule passed that if you take a job and hire a man to help you, you class as a contractor, and a contractor isn't allowed to work with his tools on a job. . . ."

"I . . . see!" I replied. "You've either got to be big enough to be able to spend all your time bossing your crew, or else just a workman—under that rule the old workman-boss, with two or three or four helpers, is out!"

"That's it! After they passed the rule I couldn't take small jobs and stay in good standing, so I quit. I've nothing against the unions as such. But they shut me out.

"Now along comes the NRA and writes a tinners' code for our city, and they take into it the rules of the union. Copper sheets and everything else we use have gone up in price. There is no competition as to the materials we buy—they are all the same price. All you can do to get a job is to bid down your own labor costs, and where you hire men and pay them union wages the margin that gets you the job comes out of your own pocket as a workman. The code is putting us little fellows out of business. . . . Maybe that's where we belong—out of the business . . . but I sort of figured when I got married, and again when we bought the shop, that some day I'd be . . ."

VI

HE HAD been a workman all his life, handling huge sacks and boxes



"They told me that, with the code, and putting on new employees, all they could give me was the code minimum"

on a pay that never had allowed him to get a home—had barely provided rent and food and clothing of a simple sort for a small, quiet-living family. Almost daily I met, nodded to, talked to him.

And then one day I noticed that he had not gone to work. He sat on his porch and smoked. He puttered around the flower beds. He watered the lawn.

The next day the same. And the next.

He came over.

"They've canned me . . . after all these years!" He flexed a stout arm. "And me as good as ever! Told me it was because work was slack, but they put a new fellow who's trying to make the University football team this fall right on the same job. . . . I suppose *he* needs it!"

There wasn't much I could do about it. Quite nothing at all.

I said the few words that might let him know a fellow mortal was concerned in his welfare. He walked into the house. The next week a moving van stood in the street. He told me of the "fine house" he had rented a few blocks away. I knew! You wouldn't want to live in that neighborhood. He didn't, either!

And then the NRA code for warehouses or something like that went into effect. Days . . . perhaps a couple of weeks passed, and then the man who had been getting $18.50 a week met me. There was a grim smile around his mouth.

"I've got a new job!" he greeted.

"Where?"

"Same old place . . . same old packing-room . . . same old platform . . . same old everything . . . except the pay check!"

"And that . . . ?"

"They told me that with the code, and putting on new employees and everything, all they could give me was the code minimum—$14.50! I suppose I ought to be thankful for a chance to work at all . . ." but the beaten look in his eyes was not pleasant to remember.

Of course it was just another harassed employer trying to get along! But to me it looked most damnably like a crook using the code to whip-saw his employee . . . and getting away with it! And just try reporting that to NRA! Justice would be meted out . . . and the employee would starve! He hadn't a leg to stand on—or an extra can of beans, either!

VII

THERE was much talk, last fall, about the benefit payments rushing out into the Middle West—wheat benefit payments. Papers full of it! Millions and millions of nice new dollars. . . . Buying resumed! . . . Taxes paid! . . . Mortgages cleaned up!

Sounded fine!

I suggested this to a radical farm leader not noted for finesse of speech.

"Sweet roses and apple blossoms!" he remarked—only those were not his exact words—"are you crazy, too? Figure out the farmers' expenses—taxes, interest, the things he can't get away from. Figure what it has cost him, in cash-out-of-hand, to operate through the season. And then take the millions you talk about, and divide them up among the farmers, and see just how many mortgages will be paid off! See how many tax receipts will be filed away! See how many store bills will be paid . . . how many new automobiles will be bought! . . ."

The reader might find it interesting to follow that line of thought. . . . I did, and, as I remember, last fall's average wheat payment wasn't so much! Something like $60 a farm, taking a typical northwestern wheat-growing county-wide average.

Of course it helped. Sure! But why should Uncle Sam brag about that good deed?

And some farmers aren't altogether sure they are not paying the bill for checks advanced—in advance!

An Iowa hog-processor put it succinctly:

"When the first 50 cents per hundred-weight processing tax went on out here the local market fell off just one dollar a hundred. When the second 50 was added, another dollar was clipped. And I reckon by the time we get the full tax in operation a fellow will have to line his pocket with bills to introduce his hogs to the packer."

Well, maybe not *that* bad, but hog prices during recent months do not encourage the idea that the way to restore prosperity to the farm is to blanket the hog with a tax when you send him to market.

We were sitting amid the business disorder of a Middle Western printing plant—county paper, and all that. A good plant, doing, in ordinary times, a business that supported five families—two of them owners of the business, the others long time employees and neighbors.

The manager shook his head.

"NRA is not for me! It started out as a plan to control business—keep it from running wild. Now it has run wild. Our plant happens to be in a town that the census classifies as 'urban.' All our competitors happen to be in towns that are census-classified as 'rural.' So we are ordered to get in and get under."

"Well, and why not?" I asked.

"We've been in the red for three years, by any ordinary system of bookkeeping. Sometimes there is money in the till or the bank on pay day, and sometimes not. Collections are slow. Sometimes the man who owes you can't pay on the nail—because people he depended on can't pay him. Brother and I have slashed our salaries. Our men have taken their cut. We've forgotten about such things as dividends on our capital invested. Now, when pay day comes, we all get together and split the money the best we can. If there's enough, good! If not, then we talk it over. So much will do Bill for the week. Ed can get along with *so* much. And in this way we keep going.

"It used to be that when there was an extra or rush job

(Continued on page 60)



"Either crops have been poor or prices low. Lately it's been both"

Lessons of Communistic Colonies

By T. N. CARVER

Professor Emeritus, Harvard University

THE current experiments in the field of "regimentation" signify a political belief in the efficacy of "planned economy." A "more abundant life" has been the goal of social reformers since the world began. The search for an environment and an organization conducive to the perfection of human society has been adversely qualified by the infirmities and inequalities of human nature. The ideals which motivated earlier experiments in the United States are discussed by Professor Carver in examining the causes which contributed to the record of failure

IT WAS no accident that this country, then the freest country in the world, should have been the scene of more communistic experiments than any other. They were all started when this really was a free country, and they were all of the voluntary and not the coercive sorts of communism. In none of these communistic societies was there any "cracking down" on non-conformists. There were no dictators with big sticks and firing squads to teach individualists to love communism. Since this was a free country, voluntary communism was permitted and coercive communism would not have been permitted. The coercive sort would not fit into the institutions of any free country.

If we include the various Shaker colonies, there were more than 60 of these communistic experiments in the United States. They began in 1732 with the settlement of the Ephrata Community in Pennsylvania. Some of the old buildings are still standing—or were when I last visited the place—about halfway between Reading and Lancaster. The latest experiment is, I believe, the New Llano community in Louisiana, founded by Job Harriman of Los Angeles, one time a formidable candidate for mayor of that city. These communistic experiments were scattered from Maine to California and from Florida to Washington. About half of them were religious congregations, led by a pastor or popular religious leader. On the average the religious communities lasted longer than the non-religious.

Some of the religious communities made no pretense of trying to create a new order of society. They were frankly trying to save their own souls, believing that the ways of the world were sinful and that the only way to avoid sin was to live apart from the world. This was particularly true of the celibate societies such as the Shakers and the Ephrata society. Obviously a continuing order of society could not be based on celibacy. These celibate societies, however, were the only ones that made a complete success of communism. They died out, not because they couldn't get along under communism, but because they ceased to make new converts. Since they had no children, their communities died out when the old people passed on.

Other religious societies turned to communism because they believed that it was the order of the Apostolic Church. In Selma Lagerlof's "Jerusalem" one gets a vivid and sympathetic picture of the type of evangelism which leads to communism of the voluntary and religious sort. Under the spell of a fervid religion, men have often dreamed of a state of society modeled on the family. This is no vague belief in the brotherhood of man, but a definite belief in the fellowship of the saints, which is a very different thing.

Small, picked groups may succeed

WITH a hand-picked group, all professing the same religion and trying to live according to its precepts, communism is one thing. Taking men as they come, it is quite a different thing. In one case, voluntary communism may succeed for a time. In the other case, nothing but a dictatorship with plenty of machine guns could keep it going.

Among the communistic societies based on a fellowship of believers, the most conspicuous is Zion City, Ill., though it is not strictly or completely communistic. The House of David, in Michigan, is well known also, largely because of its baseball teams. A better example of pure communism is, or was, the Amana Society of Iowa, a German-speaking, pietistic congregation which moved to this country in 1843 and is still flourishing, though it has recently given up some of its more extreme forms of communism. Others in the same general class were the Separatists of Zoar, Ohio (1819-1898), the Bishop Hill Colony of Illinois (1846-1862) and the Bruederhof Communities of South Dakota (1862-). This latter group are all of foreign origin, having been transferred to this country because they would here be free from molestation by government.

Of the religious societies which practiced some form of communism, about half were of foreign origin and half originated on our own soil. Those of foreign origin were somewhat more successful and somewhat longer-lived. Among those of American origin may be listed, first of all, the Perfectionists of Oneida, New York (1848-1879). Under the religious leadership of John Humphrey Noyes, a little congregation at Putney, Vt., accepted the doctrine of human perfectibility through religious faith—a doctrine somewhat akin to that of entire sanctification. Believing that, so far as they were concerned, the Kingdom of God had arrived, and that they were therefore no longer under the law that was in-

tended for a sin-cursed world, they decided to live as men and women should live in a sinless world. The doctrine was logical enough if you start with their premises. They therefore adopted communism and complex marriage and the scientific breeding of the human species. They were the first practical eugenists in this country, though the word "eugenics" was not yet invented. They called it *Stirpiculture*.

Three waves of communism

NOYES himself wrote the first and the most comprehensive history of communistic experiments in this country under the title: *History of American Socialisms*. He was a product of New England and of the Yale Divinity School. He states that the Perfectionist movement was the logical development of New Haven orthodoxy as Brook Farm was the product of Boston Unitarianism and the transcendental philosophy. He moved his community to Oneida Lake, N. Y., to escape the criticism of his Vermont neighbors.

Zion City and the House of David, already mentioned, are of American origin. Others are Jemima Wilkinson's New Jerusalem in western New York (1786-1820), Celesta, Pa. (1852-1864), Estero, Fla. (1904-) and The Christian Commonwealth, Ga. (1896-).

There were at least three waves of non-religious communistic societies in this country. There was one in the twenties of the last century, another in the forties, and another near the end of the century, with a number of scattering experiments. The first was the result of a lecture tour, in 1822, by Robert Owen, a wealthy British manufacturer who developed a social philosophy of his own. His lectures created an intense interest. It is said that on one occasion both houses of Congress adjourned to hear him expound his doctrines. Many of the intellectuals of that day announced themselves as converts to his way of thinking.

He called himself a socialist rather than a communist, yet the experiments tried out by him and his followers were communistic in that they had common ownership of all means of production and other durable property and attempted to distribute the products of industry according to needs rather than according to productivity. The most important of these experiments, and the only one sponsored by Robert Owen himself, was at New Harmony, Ind. In 1825 he bought out some German pietists who had already moved from Pennsylvania and started a new communistic group in southwestern Indiana, and now wished to return to Pennsylvania.

The soil of the New Harmony community was fertile, there was already some equipment, and the colony attracted as intelligent a group of people as could be brought together anywhere in the country. There were several persons who had already won distinction in intellectual pursuits and several others later won distinction. There was no reason why the experiment should have failed if voluntary communism could succeed anywhere.

It certainly did not fail for lack of good land or good people. The land was rich bottom land near the confluence of the Wabash and the Ohio Rivers. The human capacity was of the very highest. And yet, in spite of the name, there was no harmony. Even table manners deteriorated largely because parents were narrow enough to care more for their own than for other people's children. Their good breeding could not stand the strain of seeing their own children deprived of dessert at the common table by the piggishness of other people's children. The experiment lasted two years. Other experiments, even more short-lived, were tried at Yellow Springs, Ohio, and at points in Michigan.

The wave of communistic experiments of the forties was inspired by the writings of two French communists, Charles Fourier and Etienne Cabet. The best known of the Fourieristic experiments was Brook Farm, in West Roxbury, Mass. While not originally inspired by Fourier, it adopted his principles and his form of organization. It was famous, not because of its success, for it was a complete failure, but because of the distinguished persons who joined it, and, more particularly, because it was well written up.

Killed by loss of interest

THE scene of Hawthorne's "Blithedale Romance" was laid at Brook Farm. It did not fail because of quarrels, for the members seemed to get on well together, but from lack of interest. After the first enthusiasm wore off, its members departed. There was, to be sure, a disastrous fire, but it takes more than a disastrous fire to destroy an individualist colony or community.

A somewhat more successful, at least a longer-lived, Fourieristic experiment was tried in New Jersey. It was called the North American Phalanx. It lasted from 1843 to 1856. It was endorsed by Horace Greeley and other notables who never lived there. Like Brook Farm, it might have succeeded if its members had not lost interest. Emotional enthusiasm is a powerful motivator and, in times of emergency, must be relied upon to get us out of great social or national emergencies; but it has a way of oozing out at our fingertips. That which is miscalled self-interest, but ought to be called preferential generosity, works all the time. It has a way of renewing itself every morning. We want things for those for whom we care, and we want them every day. If permitted, we will work every day to provide things for those for whom we have a preference. Individualism, or any system of voluntarism, permits this. Communism expects us to work as hard for those for whom we do not care as for those for whom we do. We simply will not do it except under fear of punishment, and even then we will not do it well.

An interesting and pathetic experiment of this period was at Fruitlands, in the town of Harvard, Mass. It was led by Bronson Alcott, who found Brook Farm not idealistic enough to suit his fancy. The members adopted a strict regimen of plain living and high thinking. "Being, not doing" was their motto. The men, however, did the "being" and left Mrs. Alcott, a truly remarkable woman as well as an adoring wife, to do the "doing," aided by her daughters. When one reads an account of that experiment one scarcely knows whether to laugh or to cry. It lasted during the pleasant weather of one summer, that of 1843. As cold weather approached, one by one the various members left on one pretext or another, until finally the Alcott family was left alone without food or fuel for the winter. There was nothing for them to do but to leave also, with their household goods loaded on a borrowed wagon.

The most successful and the longest-lived of all the non-religious experiments was that of the Icarians, a French society of communists, followers of Etienne Cabet, author of a book called *Voyage en Icarie*. He organized his own converts and led them in person. He first came alone to select a site, but fell in with some land sharks who sold a tract supposed to lie somewhere in eastern Texas. Later he brought his colony to New Orleans and tried to find his land, but got lost in the swamps, lost a number of men and returned to New Orleans. Here they learned that the Mormons had been driven out of Nauvoo, Ill., and that the town was for sale. He put his colony on a steamboat and went up the Mississippi to Nauvoo and settled there. This was in 1849. Here they practised communism with some success, but the people wanted more land. In 1860 they bought a tract in western Iowa

and began moving to their new home which they called Icaria. Here they practised voluntary communism until 1895, when they gave it up. Meanwhile there had been several schisms.

A considerable interest in communism was created by Edward Bellamy's "Looking Backward." As a direct or indirect result of this interest, several experiments were tried in the closing years of the last century. The Cooperative Brotherhood (1898-) and The Equality Colony (1897-), both in Washington (State), attracted some attention. The Ruskin Commonwealth (1896-1901) in Georgia probably belongs to the same movement. The Straight Edgers, N. Y. (1899) and the Helicon Home (1906-1907) should also be mentioned.

Among the independent experiments, not connected with any "movement," are the Polish Colony at Anaheim, Calif. (1876-1878); the Skaneateles Community, New York; the Northampton Association and the Hopedale experiments in Massachusetts; and the Waldensian colonies at Valdese, N. C., and near Gainesville, Texas.

No attempt to appraise the results of these communistic experiments in the United States, or to explain their varying successes and failures can be enlightening unless a distinction is made between the religious and the non-religious communities. With the exception of the Icarian experiment, no non-religious experiment lasted a single generation. In the case of the Icarians, they split several times. First, Cabet himself and an older group of followers withdrew from Nauvoo and settled at Cheltenham, Mo. They had been outvoted by the younger group who wished to modify some of the more extreme communistic rules. The Cheltenham experiment promptly failed. Again, after the removal to Icaria, Iowa, the colony split.

Schism divided the colony

THIS time they divided the land. The older and more orthodox (from a communistic point of view) group withdrew from the village and built a new village on another part of the estate. The younger and less communistic group remained in possession of the older village. The older group did not flourish and eventually moved to California. The younger group continued to practise a modified communism until 1895, when it gave up all semblance of communism. When I visited the place in 1903, some of the old buildings still stood, but were used as tool sheds and corn cribs. Otherwise it was like any other farming community in Iowa.

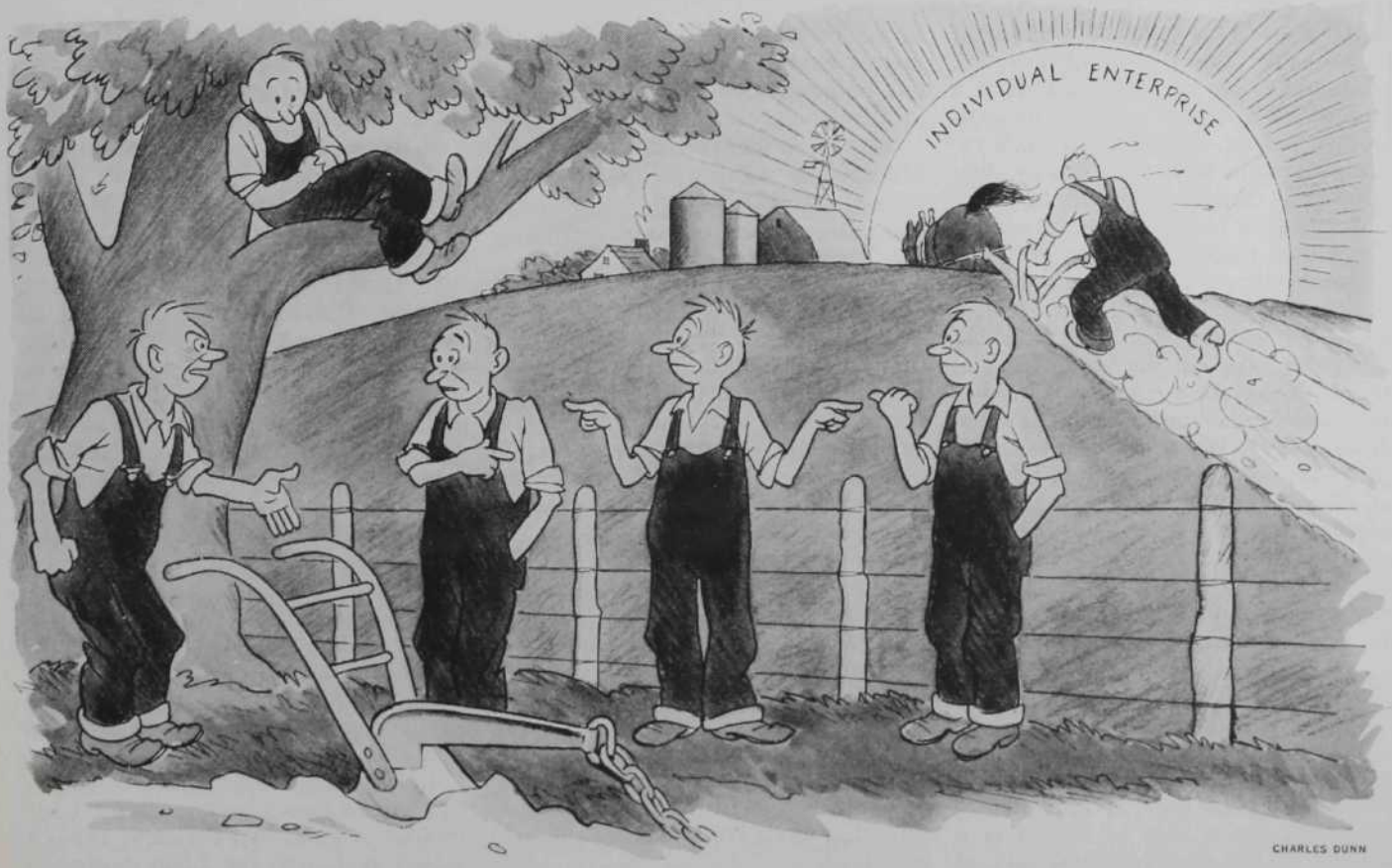
The religious communities seemed to last as long as the people held their fervid religion, or rather, so long as it held them. After about three generations, however, the original impulse seems to have weakened. A new generation who had never been under the spell of the eloquence or personal magnetism of the founder, came into control. This generation lost interest in communism and gave it up. This summarizes the history of religious communistic groups in this country.

The non-religious communities had no cement to overcome the explosive tendencies in human nature. As soon as the initial enthusiasm had spent itself, and the novelty of the new way of living had worn off, the people preferred to return to a way of living more in harmony with their own preferences.

Of course, there are those who will say that these experiments failed because they were not tried on a large enough scale. That is apparently a wrong diagnosis. What they mean is that these communities were not permitted to have a government which could compel acquiescence and obedience.

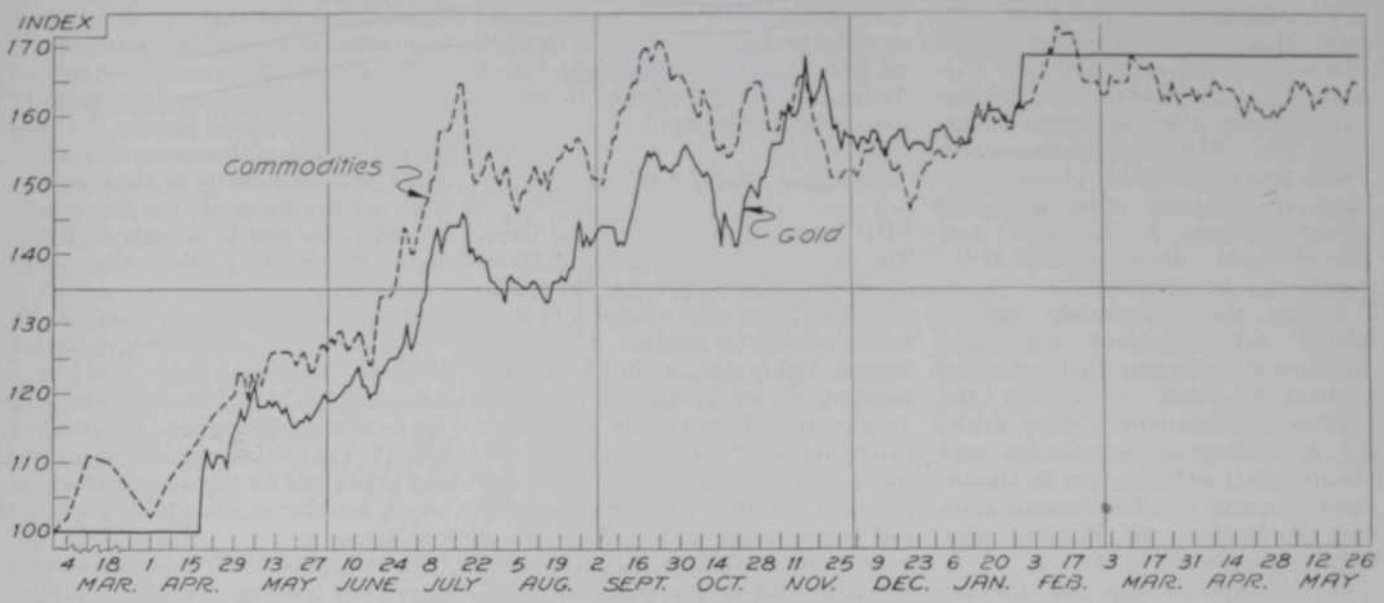
It was the more or less naive opinion of the leaders of these communities that compulsion was not necessary to make communism succeed, that it was only necessary to give the world a demonstration of the

(Continued on page 71)



Communism expects us to work as hard for those for whom we do not care as for those for whom we do. Human nature being what it is, we won't do this except under fear of punishment

Effect of Changes in Gold's



"The price of gold is now 69 per cent higher than the old statutory price. The *Journal of Commerce* index of prices for 30 basic commodities has risen roughly the same amount during the year," says Professor Warren

THE world is passing through what is probably the period of greatest economic chaos in history. This is a direct result of the collapse in commodity prices, which is in turn a result of a chain of circumstances. Any intelligent consideration of the problem must be based on a correct diagnosis of causes.

Preliminary to any discussion of commodity prices one must distinguish between the value of gold and the price of gold. Any country can set any price for gold that it desires and thereby determine the gold value of its money. When a country on the gold standard sets the price of gold at $35 per fine ounce it is merely saying that a dollar shall be one-thirty-fifth of an ounce. Since the dollar is made by law, it could be made any other amount of gold, or might be made something other than gold.

World-wide value of gold

THE exchange value of gold is a very different thing. The number of ounces of gold that is required to exchange for a bale of cotton is a matter of the world-wide supply of and demand for gold, and the world-wide supply of and demand for cotton. These relationships result from the law of supply and demand and cannot be controlled by legislative acts in any country.

There are five factors in the price of cotton.

1. The supply of cotton.
2. The demand for cotton.
3. The supply of gold.
4. The demand for gold.
5. The price of gold.

If the other four remain constant, then the fifth determines the price; but since each of them may change at any time it is futile to attempt to explain prices by any one alone.

1. The world cotton crop plus the August 1 carry-over was estimated at 41,400,000 bales. This is an increase of half a million bales, or about one per cent over the previous year. From this we would expect the price of cotton in gold to fall nearly one per cent.

2. I know no quantitative figures showing demand, but we do know that the demand increased in the course of the year. Much of the increase was due to the business stimulus that came from leaving the gold standard.

3. Changes in the supply of gold are not very great in a year and, therefore, can have only a limited effect in a year's time.

4. The demand for gold continues to be excessive. This has driven cotton prices far below normal for the world's gold supply.

Changes in the supply of and demand for gold were such that prices of basic commodities in gold in six countries (Canada, England, Sweden, France, Holland and Italy), fell an average of one per cent from February, 1933, to February, 1934. From this we would expect the price of cotton to fall one per cent.

5. The United States raised the price of gold 69 per cent. This would be expected to raise the price of cotton 69 per cent above the price that the other four factors would have called for.

Perhaps a sixth factor should be included, that is, errors in the markets' estimate of each of the supply and demand factors, which temporarily have the same effect as if the mistakes were true.

In February, 1933, a bale of cotton in Liverpool would exchange for 1.708 ounces of gold. In February, 1934, it would exchange for 2.005 ounces of gold, or cotton had risen 17 per cent in terms of gold. This is an exchange

Value on Its Use as Money

By PROF. G. F. WARREN

of Cornell University

GEORGE F. WARREN is professor of Agricultural Economics and Farm Management at Cornell, and has had much to do with shaping the fiscal policy of the present Administration. If you doubt Professor Warren's influence read James P. Warburg's "The Money Muddle." Mr. Warburg was economic adviser to the United States at the London Conference. In his book Mr. Warburg tells of the conflict as to the government's currency policy. Here are extracts from the book which help to give a picture of the author of this article:

> "All through August and September the battle was waged. It was a battle not so much of men as of two conflicting schools of thought—with the President acting as a tireless, serene, and often amused referee.
>
> "In the end it was not conviction that the Warren theory was right so much as the fact that Warren offered a program of action—a program more suited to the immediate political necessities—that carried the day. Warren said—and believed—that he had a quick cure. We admitted that we had none, and we doubted whether there could be any monetary cure for troubles that we believed were not monetary in nature or origin."
>
> "George F. Warren of Cornell I had never seen, although I had heard much about him and had read his writings, sent to me on board the steamer by the Committee for the Nation. While I do not agree with Dr. Warren's theory and consider the practical steps he advocated in some respects almost ridiculous, let me say at the outset that I do believe in the complete sincerity of the man. Warren impressed me above all else as earnest and well-intentioned, anxious to help, but not eager for personal recognition, convinced, but not dogmatic or bumptious, as were so many others of the New Deal economists."

of one commodity for another, just as we may compare copper with cotton. In February, 1933, a bale of cotton would exchange for 810 pounds of copper in England. In February, 1934, it would exchange for 931 pounds. Cotton had risen relative to both copper and gold.

The only way that the plowing-under campaign influences the price of cotton is through reducing the world supply below what it would have been. The net result of crop destruction, favorable weather, and carry-over is expressed in the one per cent increase in world supply. Had there been a larger world supply, the price would have been less in gold. It is estimated that four million bales were plowed under in the United States.

If so, the world supply was reduced by about nine per cent. If no cotton had been plowed under, prices in gold would have risen, but by a smaller amount.

While we cannot exactly measure each of the four factors, the 17 per cent increase in the exchange value of cotton for gold gives a combined expression of the net result of changes in the relationship of four factors, the supply of and demand for cotton and the supply of and demand for gold.

We would expect the price of cotton to increase 17 per cent because of the changed relationship with gold, and an additional 69 per cent because of the change in the gold content of the dollar, or we would expect the price of cotton to rise 98 per cent ($1.17 \times 1.69 = 1.98$). The price in New York City rose 102 per cent.

When commodity prices double in a country that has maintained its money on a gold basis, it means that gold has lost one-half of its exchange value for commodities. When commodity prices fall 50 per cent, it means that gold has doubled in value.

Gold is high-priced

AN ounce of gold will now exchange for a larger amount of other basic commodities in England and in the United States than it would have exchanged for at any previous time since the establishment of the Union. It will buy more than four times as much as it would have bought in 1920 and more than twice as much as it would have bought before the depression.

Prices in gold as expressed by the Statist index number for England and comparable index numbers for the United States are given below. These index numbers include 36 representative basic commodities at wholesale prices.

STATIST INDEX NUMBER FOR ENGLAND AND A COMPARABLE INDEX FOR THE UNITED STATES

	ENGLAND		UNITED STATES	
	Prices in Currency	Prices in Gold	Prices in Currency	Prices in Gold
1913	100	100	100	100
April, 1920	313	253	242	242
April, 1926	148	148	149	149
July, 1929	136	136	138	138
July, 1930	111	111	110	110
July, 1931	94	94	90	90
July, 1932	93	68	72	72
July, 1933	96	66	96	69
March, 1934	97	60	100	59

In the first year of the depression, basic commodities as represented by these index numbers dropped 28 points in the United States; in the second year, 20 points; in the third year, 18; in the fourth year, three points; and thus far in the fifth year, have dropped ten points in gold. It will be seen that the drop was very rapid for three years, and less rapid

for the past two years. Apparently the spectacular decline in prices in gold or spectacular rise in the value of gold is approaching an end.

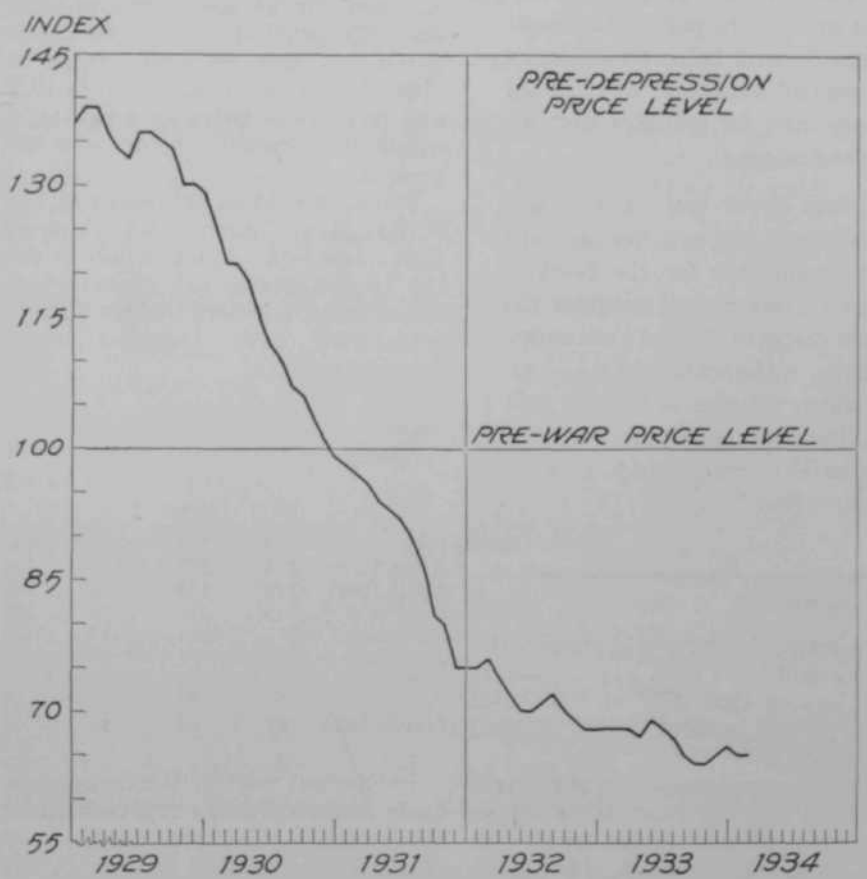
From 1913 to 1920 gold lost more than half its value. From 1929 to 1933 it more than doubled its value. Gold is like any other commodity. Its value changes with the supply of it and the demand for it. Because gold is used as money, we are deceived into believing that its value is constant and that all price changes are due to a change in everything else. Americans readily see that silver changes in value, but are deceived as to gold. The Chinese, who use silver as money, readily see that gold changes in value, but when silver changes they think that other commodities are doing all the changing.

Small year-to-year changes

THE supply of monetary gold is so large that the change in a single year does not often affect its value very strikingly, but changes in supply over a series of years may have a very great effect. For instance, the value of gold in England rose 80 per cent from 1873 to 1896, and fell 28 per cent from 1896 to 1913. In the former period the world production of gold did not keep pace with the production of other basic commodities. In fact, gold production in 1883 was the lowest that had occurred in more than 30 years. In the 30 years following 1883, gold production increased more than four times. This was faster than the increase in production of other basic commodities.

Present world gold production is not sufficient to provide for normal industrial uses and add the amount to monetary stocks that pre-war experience indicated to be necessary to prevent prices from falling. While a deficiency of this sort would be serious in the long run, it is never responsible for a sudden collapse in prices such as has occurred.

Neither the fall nor the rise in the value of gold since 1914 was due to changes in supply. From 1914 to 1928 the world supply of monetary gold increased 38 per cent, which was the same as the increase in the world production of other basic commodities. When we turn to the demand side of the gold situation the commodity price changes are easily explained.



"Average prices of basic commodities fell rapidly for three years and have fallen slowly for two, or gold rose in value correspondingly. The prices are averages for seven countries expressed in pre-war gold currencies," Professor Warren says

During the World War, many countries discontinued the use of gold and discontinued any serious attempts to maintain gold reserves. They were as completely out of the market for gold as if they had demonetized it. Gold lost value throughout the world, or prices quickly doubled in countries that remained on gold. There was not the slightest reason for anticipating that such a price level could be maintained when the world returned to gold. The first collapse occurred in 1920. Various countries attempted to return to the gold standard. France returned on June 25, 1928, and the gold panic was soon on. The inevitable price collapse increased the gold hoarding by individuals, by banks, and by nations so that a still further rise in the value of gold occurred.

If gold were used with pre-war efficiency, there is enough of it to support pre-war prices, but prices throughout the world are about 60 to 75 per cent of pre-war when expressed in pre-war gold currencies. Some rise in prices expressed in gold is probable, but unfortunately this is likely to occur as a result of getting out of the depression rather than as a means of getting out. Violent fluctuations in the value of gold are almost certain to continue for some years. While some rise in prices is to be expected it is not probable that prices in gold will rise to the pre-war level for some years because inefficiency in the use of gold is to be expected for some time. Individuals hesitate to go in debt and in some countries they will continue to hoard gold. Banks will be more careful about lending and will wish to maintain higher reserves. A theoretical calculation of imaginary credit expansion should not ignore these realities. This means that, although commodity prices will probably rise, they will probably remain below pre-war for a number of years except in those countries where the price of gold is raised. Of course, if some important country should definitely demonetize gold and stop holding gold reserves, or if some unprecedented and improbable discovery were made, the value of gold would be reduced.

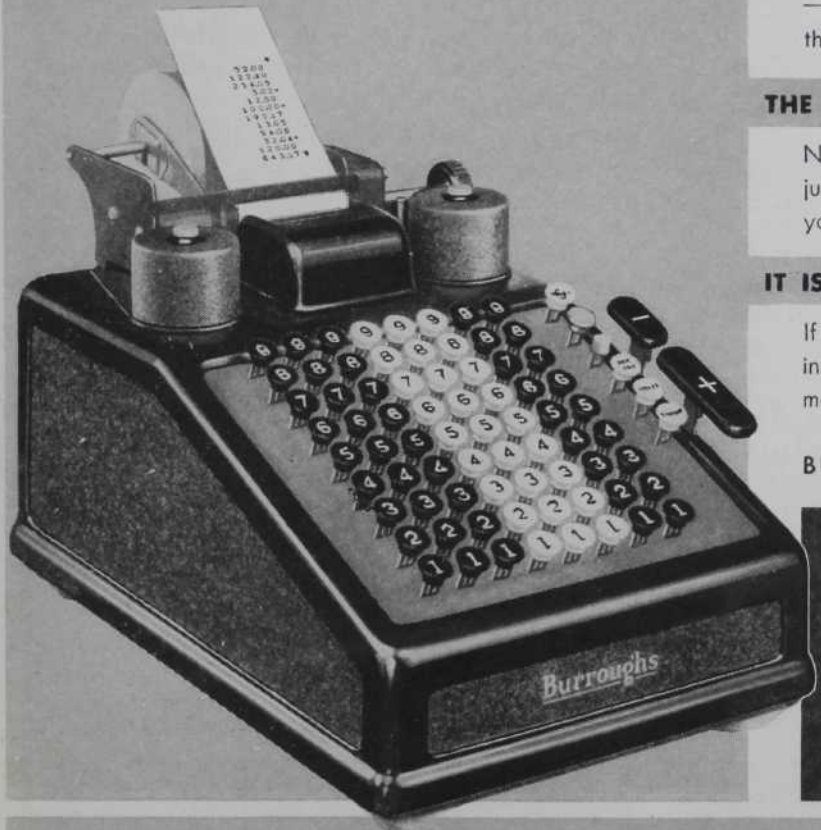
Many countries are now off the gold standard. Some persons wonder why gold does not lose value. Conditions are entirely different from the war period. Practically every country is now trying to hold or build up its gold reserves. Gold is one of the chief topics of discussion.

For several years at the beginning of the depression many persons were misled by thinking it a business cycle. It is a price collapse due to the attempt of the world to return to the

(Continued on page 57)

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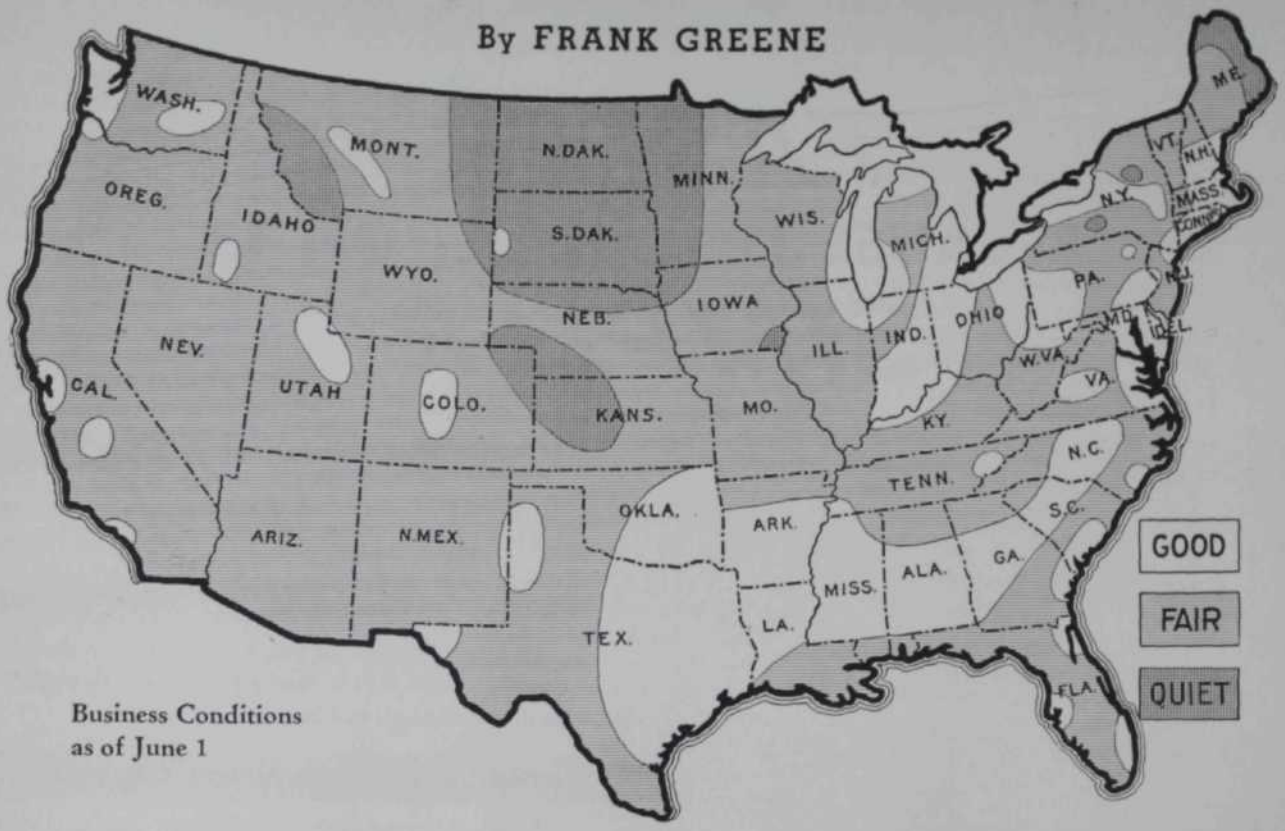
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The Map of the Nation's Business

By FRANK GREENE



Business Conditions as of June 1

MAY saw cross currents rendering description difficult. Trade buying rallied early, then sagged, but rallied again. In the wheat areas and the Corn Belt heat and drought were widespread.

Grain prices regained more than they lost in April. The stock market lost strength. The menace of the immense wheat carry-over seems to lessen in view of the probable reduced yield.

Relief measures for the northwestern cattle and dairy industries were set in motion early. Lightweight live stock gluts the markets, finished stock brings good prices.

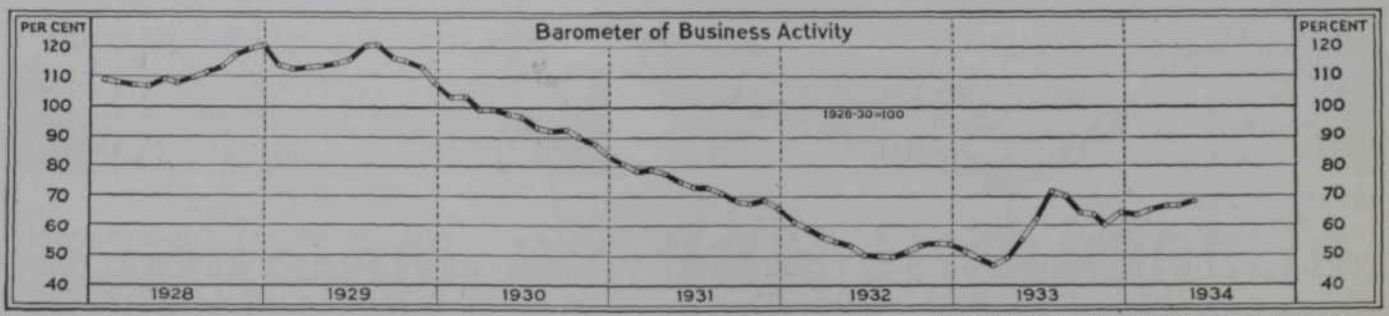
Strikes, actual or threatened, constituted a virtual roll call of the country's industries. Many were settled and others were averted. Strikes for higher wages have always accompanied industrial recovery.

The textile industries were rather depressed. Building revival seemed below expectations. Lumber output exceeds consumption. Steel scrap has been weak since early April. Lake traffic far exceeds last year.

Darkening of the Map is notable chiefly in the path of the northwestern drought, hesitation in buying being noted where short crops threaten. Western Kansas and Nebraska winter wheat areas are also reported hurt



The map of last month



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

Except for a slight drop in carloadings, all factors of the Barometer of Business Activity in May ran ahead of April; all were higher than in May, 1933, and the composite index was only three per cent behind the July, 1933 peak

The Dark Ages of Printing passed when GUTENBERG invented type in 1454

WHEN Gutenberg cast his first metal type characters, about 1454, he took the first step towards making printing economically reasonable. Movable type was adaptable compared with hand cut wood blocks of page size. Cast type was durable in comparison with those same wood blocks. Popular printing had arrived.

From Gutenberg's day forward, great strides in mechanical perfection have been made by the printing industry—in speed, in quality and in lowering of costs.

No less pronounced have been improvements in printing papers from the crude, two-sided hand made laid papers used by Gutenberg, Aldus, and other old masters.

Gutenberg, father of printing, scarcely would recognize as a development of his invention a sample of printing on Kleerfect—The Perfect Printing Paper. He would marvel at the printing and the paper and being a practical printer he would realize that only the unusual qualities distinguishing Kleerfect could make such printing possible.

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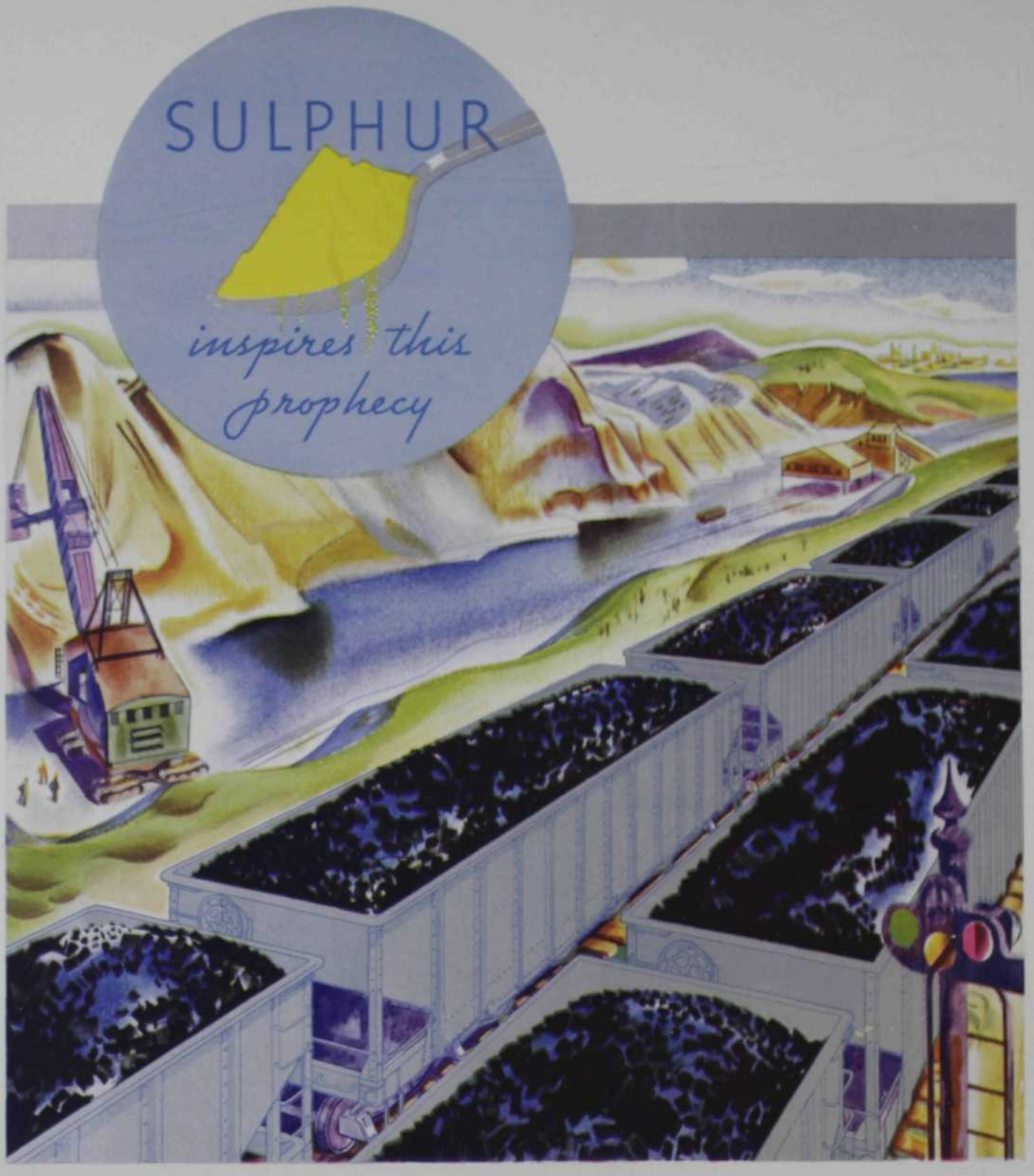
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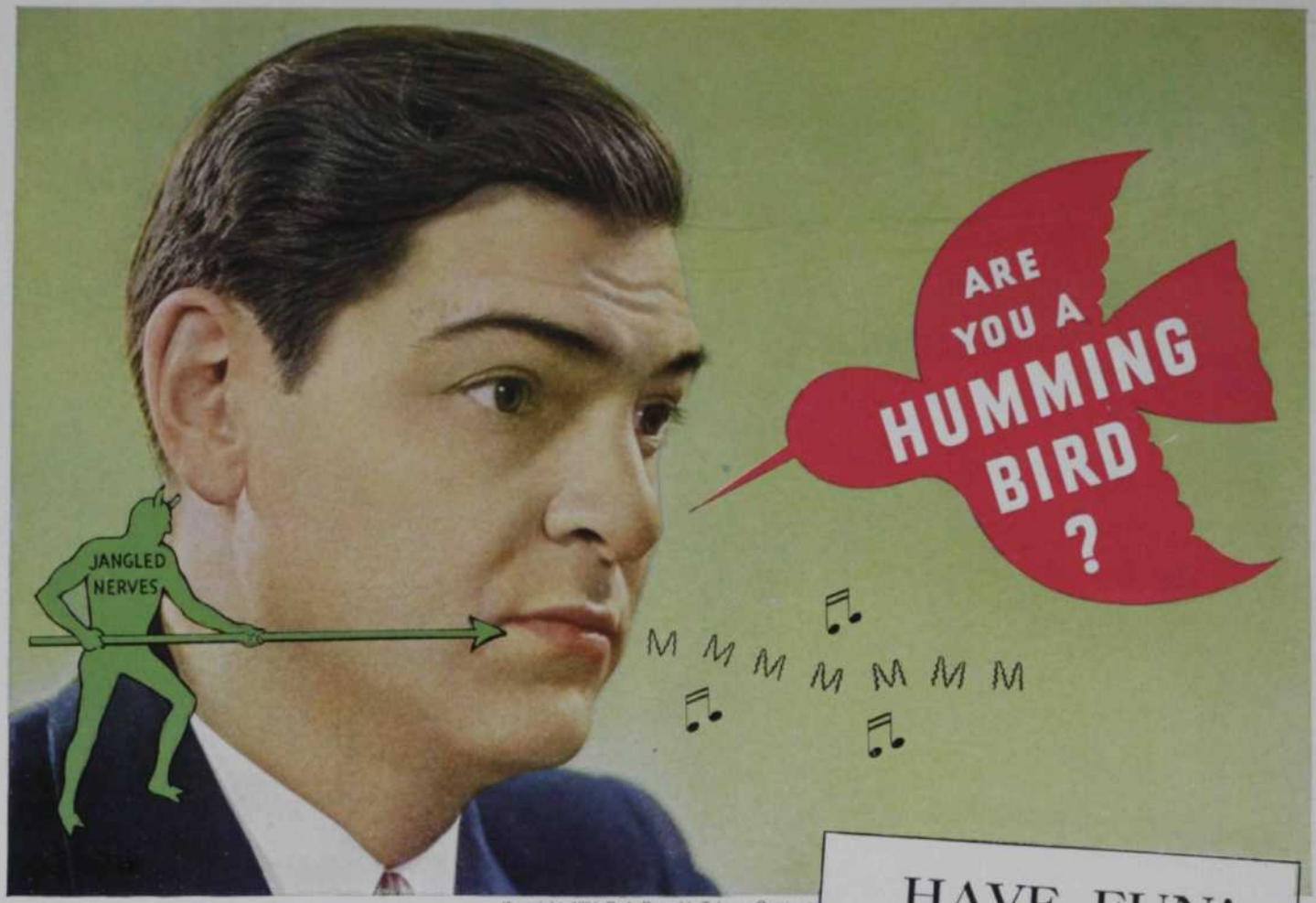
The fulfillment of this prophecy will benefit the pocketbook of every American. Its premises and its implications are of immediate concern to every man who builds or operates machinery that moves, vehicles that transport, or buildings that must last.

Wrapped up in this prophetic example is our story of lightness combined with strength. Resistance to corrosion is strikingly typified. Variety of form and shape, and facility of fabrication are implied, for without these there is no economy. And in that one word, overworked as it may be, originates today's call for Alcoa Aluminum.

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Yes, it's irritating to listen to that constant, tuneless humming—and more than that, the humming is a sign of jangled nerves.

If you notice any of those telltale nervous habits in yourself—if you whistle through your teeth—drum on the table—then it's time to start taking care of yourself.

Get enough sleep—fresh air—recreation—and watch your smoking . . . Remember, you can smoke as many Camels as you want. Their costlier tobaccos never jangle your nerves.



COSTLIER TOBACCOS

Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand of cigarettes!

HAVE FUN!

Send for FREE *Game Book*

New—illustrated book of 20 ways to test nerves ... Fascinating! Amazing! "Show up" your friends. See if *you* have healthy nerves. Send fronts from 2 packages of Camels with order-blank below. Free book is sent postpaid.



CLIP HERE... MAIL NOW

R. J. Reynolds Tobacco Company
Dept. 139-A, Winston-Salem, N. C.

I enclose fronts from 2 packs of Camels. Send me book of nerve tests postpaid.

Name_____
PRINT NAME

Street_____

City_____ State_____

Offer expires December 31, 1934

CAMELS

SMOKE AS MANY AS YOU WANT
...THEY NEVER GET ON YOUR NERVES

Bring Back Romance to Spending!

By RUTH McINERNEY

A RETAIL customer revolts against present-day selling methods. Her opinions, based on her own personal preferences and conversations with many women should give advertising men and merchants a sharper view of what people want



CHARLES DUNN

Merchants apparently believe modern customers are obsessed with a stern practicality as rigid as that of our Puritan ancestors

A CASCADE of molten gauze, iridescent, fairy-like. It trembled from a prosaic enough fixture in the curtain goods department of my favorite department store.

I glanced hastily away from the show card, as insistently disillusioning as gravel in an oyster stew:

"Your choice," it read, "10,000 Yards—89 cents per yard."

A salesgirl came up. I visioned the material dripping enchantingly from the bedroom windows—

"Thirty-nine inches wide, madam."

—the sunshine captured in its mesh, illuminating the room—

"Run of the mill quality."

—so marvelously adaptable to almost any inter-decorating scheme because of its unobtrusive, yet flattering delicacy—

"Cut from full pieces. A big purchase of 10,000 yards makes it possible for us to offer it at 89 cents. Regular price, $1.25—" the sales girl hopefully quoted from last evening's display advertisement.

And so my buying ardor fell as suddenly and flatly as a shocked cake. My backbone, held upright with enthusiasm, relaxed and slumped. I sighed at the missed opportunity of buying that curtain material happily, joyously.

Now I would have to *shop* for it, like all women milling around me in the aisles; drudge around, buy yards instead of charm; dutifully take note of whether or not it was cut from full pieces, pretend an interest in the buyer's smart purchase of 10,000 indifferent yards; gloat tiredly over the misfortune of the prominent mill that had to make the sacrifice; churn myself into a savage appreciation of the $1.25 value for 89 cents.

And all because the store's management lacked imagination. Even the advertising staff—the legitimate source of fanciful expression—contents itself with copy like a laboratory analysis:

"Lucky purchase of 10,000 yards of French marquisette from a prominent mill — 39 inches wide — 89 cents—worth $1.25—cut from full pieces—"

Interrupted by statistics

HOW could the charm of my boudoir be affected by whether the store bought 10,000 yards or 5,000 yards? That luscious figure had about as much effect upon me as a sheet of population statistics to a ten-month-old infant. Meant to convey a generous selection of material—it only interrupted rudely a picture of the material in use in my home.

The hard luck of the prominent mill was something to be politely lamented. In the proper place, and at the proper time. But I was interested, just now, in curtains for the bedroom, alas, and stifled my impatience at the necessity of stopping a moment and baring the head in silent grief at the prominent mill's tough break. At the same time, it was expected of me that I congratulate the store on its shrewd purchase—a mutual toast, in which I supplied the liqueurs by buying a few yards of the goods.

Such is the ceremony which most customers of today must go through when they set out to buy something for themselves or their homes or children. A selfish ritual in which many retail establishments ignore the human side of what they sell and to whom they sell. Romance routed. Joyous spending discouraged.

Much of today's retail merchandising seems to have cemented itself to a refrigerator of icy details. Apparently, modern customers are lantern-jawed folks, obsessed with stern practicality as rigid as that of our Puritan ancestors, stripped of romantic appreciation, emotionally robotic. It is a natural outcome of the depression's price-cutting appeal which for a long time was a steady promotion recipe, satisfyingly startling.

Advertising sang humpty-dumpty over and over—"Value $5.98—now $1.29."

"Worth $59.59. Today $14.97."

In due time, the public's capacity for amazement and penny appreciation having become exhausted, the present leap was to morgue-like statements—one surgeon speaking to another. A buyer conversing with a fellow buyer—over the heads and interests of the public.

"Look what we've got: Chairs that we can sell for 79 cents and still

make money—17½ inches high from the seat—extra heavy seat—extra strong legs and stretchers—oregon fir—smoothly sanded in our own workrooms—try and equal that one, buyers!"

And a contemporary, grinding his teeth, comes back with an equally crisp description:

"Oh yeah! Well, take a squint at this hardwood lawn rocker at $2.98—folding style—shaped seat—eight-bar back—solid wood arms—double brace—one motion—natural color varnish—far below regular price. Took smart buying ability to land it. What have you to say to that, huh?"

Meanwhile, the haberdashery buyers grapple over the shirt problem in the display columns of the daily papers, and in their interior and exterior store promotion:

"Twenty thousand shirts—well known brand—pre-shrunk—washable—pearl buttons—seven buttons—sizes 14-18—perfectly tailored of 136x60 count broadcloth—"

"—flat seams—double stitching—"

"—cut full length—reinforced under arms—manufacturer's overstock—only 98 cents!"

Myriad of details—paltry minutiæ! May the spirits of Bromoseltzer deliver us.

Buyers talking to buyers.

"Silk hosiery—32,700 pairs—"

"—48-51 gauge—48-45 gauge—42-45 gauge—picot top—"

"—two-way stretch—special—usually much higher priced—"

Always "much higher-priced elsewhere." Only where is this elsewhere? Because elsewhere seems, also, to be offering lower-priced silk stockings—than somewhere else—some other elsewhere. A confusing matter, truly.

Stressing the material

AND those yards and yards of fabrics—"cantons, flat crêpes, shantungs, panne satin, batiste, seersucker, piqué—39 inches wide, 36 inches wide, 45 inches wide, 18 inches wide—20 colors to choose from—25,000 yards—special—"

Selling things—instead of ideas for making my home or myself or my family more lovely and livable.

Selling what—instead of how.

Selling me sheets—with fine count, long staple cotton, specially constructed, full 81x99 inches—yet failing utterly to picture to me the delight of cool, clean, sweet-smelling linens for the stifling summer months, to help keep beds neat and refreshing, help provide more invigorating sleep, make summer washdays more infrequent.

Agonized details about wash frocks selling for $1.58—"the value is extraordinary"—"spectacular"—voiles, white batiste with blue, green or red dots; dotted swiss in navy, copen, red and brown, sizes 16 to 44, eleven styles, dimity in maize, red or green; voile in rose, orchid and blue prints, sizes 38-48. Yet neglecting to envision *me* in any of them—or visualizing them in *my* wardrobe instead of on the department's racks.

That's the weak spot—much of modern merchandising talks from the store's own racks and boxes, instead of from the point of view of the customer's wardrobe and linen chest. The wistful and wishful wanting to possess the goods is lacking.

Incidentally, the words "extraordinary," "spectacular," "sensational," "value," and "quality" ought to be given one-way ambulance tickets to a good sanitarium. They're like dapper old beaux who still think they're riots with the women—perennial heart-breakers—a faded rose in their buttonhole—weary moustaches curled determinedly—hair brushed to cover the bald spot.

The other contemporary school of promotion that balances the laboratory system, is the group that favors extravaganzas—atrocious statements that are meant to open the purse automatically.

"Genuine crushed pig," "genuine ribalin," "genuine imported calfskin made on a sensational new last, world's biggest value, smartness, comfort, scientifically sized for perfect fit, tailored for foot ease, worn the world over, $2.99."

A modest $2.99 for such delirious supersatisfaction!

Later, you and I and the chiropodist learn the falsification of this generous promise of Heaven-on-earth-good-will-to-all-men.

Fortunately, the moronic type of promotion, affected by many national advertisers, has not yet been adopted by retailers. I refer to "buy these hosiery and keep your husband's love," "with this porch furniture, you can win the man you want."—on the assumption that all men were created equal-ly dumb.



One day I am urged to buy XYZ Coffee and keep my husband's love; the next I am given a glimpse of the test tube's reaction

Extremes in advertising

THE child-like credulity of this style of promotion clashes with the school that gives us all the matter-of-fact brains of laboratory chemists. That is, it should clash. But there is no audible noise. For the two types of promotion go along side-by-side, the best of friends. One day I am urged to buy XYZ Coffee because it will enable me to keep my husband's love. The next day I am given a glimpse of a test-tube's reaction, amid the glow of Bunsen burners, and pages of profound statistics—all of which are meant to induce me to use XYZ Coffee.

Certain questions and challenges, having arisen in your minds, are burning to be answered. They have already badly seared the edges of this paper. And so I'll try to answer them, as the result of talks with women throughout the country.

What do women want, anyway?

Must retail promotion go-into-the-garden-Maude in order to make the public buy more?

Yes, slightly into the garden, if you don't mind.

1. We want romance brought back

Make up your mind that you will be financially independent —that's half the battle



PROFESSIONAL and business men often reach their highest earning period when they have passed fifty years. But in many occupations men and women reach their highest earning capacity in their forties.

The majority of men and women who earn more than their living expenses can make certain of future financial independence through Life Insurance. It affords an opportunity to slow down or to give up work at an age when many people want to enjoy more leisure.

The more years of probable earning ability a man has ahead of him, the easier it will be to arrange a fixed income sufficient for his needs. For example, as shown above, a man of 35 whose maximum will be $10,000 a year will probably have a rising income for about twenty years.

Among groups who reach their highest earnings in the forties, the annual decrease is less abrupt than that shown in the chart above. Determined to have future security, many persons arrange it during their still productive but less highly paid years.

Life Insurance lays down no hard and fast rules. First it asks, "When do you think you might like to stop work?" You pick the year yourself. Then, "How small a check paid to you each month, for the rest of your life, would furnish comfort and contentment with independence?"

Without placing yourself under the slightest obligation, you can find out how others are planning for their future financial independence and how you may be able to arrange your own. Send for a Metropolitan Field-Man or mail this coupon.

Have a well-rounded Program of Protection. The Metropolitan's contracts afford a means to

—*create estates and incomes for families*

—*pay off mortgages*

—*educate children*

—*provide income in the event of retirement*

—*establish business credits*

—*stabilize business organizations by indemnifying them against the loss of key-men*

—*provide group protection for employees covering accident, sickness, old age and death*

—*provide income on account of disability resulting from personal accident or sickness.*

Metropolitan policies on individual lives, in various departments, range from $1,000 up to $500,000 or more, and from $1,000 down to $100 or less—premiums payable at convenient periods.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

Metropolitan Life Insurance Company, 1 Madison Avenue, New York, N. Y. (N)

Without placing myself under any obligation, I should like to have information regarding Retirement Income insurance.

NAME

ADDRESS

CITY

STATE



METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT · · · ONE MADISON AVE., NEW YORK, N. Y.

© 1934 M. L. I. CO.

to spending. Joyful penny-parting. Glamour to possessing the goods that are offered.

2. A soft-pedaling of price. Price may be the sale's fulcrum—but cover it with satin, please—like the bottom of the confectioner's window. The 59-centness of the hosiery is a pale incentive compared to the charm it contributes to limb and costume.

3. An unobtrusive handling of cold details.

"But," you explode, "those are practical facts—sizes, washability, non-shrinkability, fine count-ness, big selection, 45 inches in width."

"Sure," I retort, "but they're not half as important to me as the happiness that possessing the goods will give me. Tell me about that happiness. Build beauty into it."

I'll never tire of hearing the story.

4. Such minutiæ should be taken for granted, anyway. A store with an established reputation should only sell what *can* be washed, will *not* shrink, be *perfectly* tailored, *completely* finished, *full* cut, and so on.

If the goods happen to fail to meet the store's standard, the customer should be told that the merchandise is imperfect, seconds, irregular.

5. Customers need to be infused with enthusiasm—so that they may picture the goods from their own standpoints. Merchants need more imagination. Otherwise they fail to glorify the goods, to make it live itself right into the public's households.

R. H. Macy & Company of New York, and Marshall Field and Company of Chicago—two of the greatest—are the most consistent users of the human-interest type of promotion. They do not stop with display advertising. They paint the entire premises with personality and refreshing charm—wittily worded interior display cards, story-telling displays of easy readability, attractive shop-ettes of delightful names like "Cocktail Hour Shop," "Rendezvous Shop" that are really only glorified ready-to-wear and sports apparel departments; beautiful salesgirls with the manners of ladies and perfect hands that hover like magician's wands over merchandise; corps of foreign-legion-like elevator operators and doormen. The stage is set. There's a continuous performance. Merchandising dramas.

That's merchandising with a lilt and a little gay dance.

(Continued on page 73)

Big Problems from Potato Chips



NRA representatives hear the problems of the chip manufacturers. They are: Labor Adviser Barry, Miss B. A. Whittington of the research and planning division, Lester Dame, Deputy Administrator and Robert Wilson, legal adviser

PHOTOS FOR NATION'S BUSINESS BY GEORGE LOHR



Mrs. Putnam, of the Coney Island Potato Chip Company, discusses some of the questions growing out of competition with other products

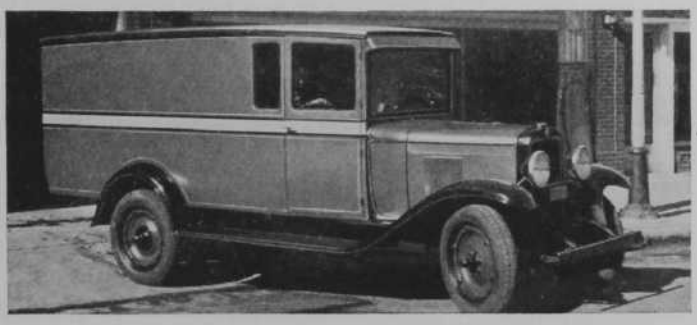
BIG industries have no monopoly on big problems. Efforts to codify the potato chip manufacturers brought out the fact that nobody even knows how many units this industry has. Its members range from national distributors to kitchen plants that produce only when the market is good; price cutting flourishes; competition with other products such as pretzels and peanuts is keen; wage scales vary widely; outlets include many resorts that operate only seasonally. One code hearing was held, showing the need of many more facts before action could be taken. Nor can the situation be discounted because the industry is comparatively small—its annual business is estimated at $15,000,000. Whatever happens to this industry will affect the market for farm products, salt, fats, machinery, packages, trucks, tires, gasoline, and the employment of men and women in every state.



The lowest-priced Six on the market is the big, husky, money-saving Chevrolet

TALK to men who have owned various makes of trucks —with various kinds of engines. "The real Economy truck," they will tell you, "is a valve-in-head Six. We have found that out *for sure*, through years of practical experience." With more than six, you are very apt to spend more than you want to on gas, oil, upkeep. With less than six, you face the old problem of destructive vibration. But if you really want a truck that *saves*, pick a Six every time. . . . Better still, a high-powered, sure-pulling, valve-in-head Six, like Chevrolet. You pay less for a Chevrolet truck than for any other Six on the market. You pay less to buy it—you *spend* less to run it—*and you get more value in return!* For Chevrolet is all truck throughout—"Blue-Flame" *truck* engine, big *truck* brakes, rugged *truck* frame, heavy-duty *truck* axles, and the best-looking, best-built line of *truck* bodies available in the low-price field.

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
Compare Chevrolet's low delivered prices and easy G.M.A.C. terms.
A General Motors Value



LOOK HOW SIX-CYLINDER ECONOMY CAN SAVE TRUCK-USERS MONEY: *This Chevrolet truck, owned by George Meehan of Garden City, Kansas, has run up a total of 115,000 miles—yet the motor has been overhauled only once, rings replaced only once, the bearings tightened only twice—and that's all! "Gasoline mileage has been very satisfactory. . . . Have operated the truck at very small expense."*

CHEVROLET SIX-CYLINDER TRUCKS

No Business Can Escape Change

Sound improvements on the old ways and means of doing things always have a sellers' market

A new refrigerant, frozen sodium chloride brine, is offered for use in refrigerated delivery trucks, etc. Made in small flakes or in blocks, the frozen brine's said to melt at -6°F., leaving no sludge or solid residue, only brine. . . .

Now comes an "air-conditioned" telephone booth. Its electric ventilation system goes into action automatically when the door's closed, expels smoke and heat. . . .

Then there's a new device which air-conditions your bed. It consists of an electric air-conditioning cabinet and a canopy which hangs over the bed from arms fixed to the cabinet. . . .

Closer temperature control (within ¼ degree in most cases) is said to be afforded by a new regulator for oil burners. Heat from the electric current passing through it, as well as room temperature changes, actuate the thermostatic element. . . .

A versatile new kitchen appliance slices, dices or cuts in strips potatoes, cucumbers, apples, etc., chops or shreds vegetables for soups, salads, crushes ice at turn of a crank. . . .

Simplicity, positive results, ease of opening are said to feature a new all-glass preserving jar for home use. A high vacuum seal is effected by cooling of the contents. . . .

A new washing machine eliminates gears, clutch, reversing mechanism, can be set to stop automatically when the washing's done, squeezes clothes dry by city water pressure. . . .

A new rubber household glove has curved fingers for a more natural fit and a roughened finish for a firmer grip. . . .

A new non-inflammable, non-poisonous cleaner and polisher for metals, glass, porcelain is supplied in powdered form. It's made ready for use by merely adding water and shaking. . . .

New decorative notes for modern interiors are afforded by "foil pictures." They're made on aluminum foil by a facsimile process, said to reproduce faithfully etchings, photos, etc. . . .

Flowers are said to keep longer if cut with a new device which slices the stems off cleanly and at the proper angle. . . .

A new vanity case also serves as a door-key container. A small knob slides the key out ready for use without removal. . . .

Finding the burnt-out Christmas-tree light's simplified by a new bulb which glows after it goes dead. There's also a new multiple-burning lamp, used with a multiple-burning string, which leaves other lamps unaffected when it burns out. . . .

A new device, quickly attached to the dash of your car, holds 12 cigarettes, feeds, automatically lights, and serves a smoke at the press of a lever. . . .

Space is conserved by a recently developed shower bath which folds into the wall and is concealed by a door. . . .

A new shower attachment for fire hydrants tempers hot weather for city kids. Equipped with volume control (0 to 125 gallons a minute), it sprays up to a 60-foot semicircle. . . .

A more economical sewage disposal method is expected to be provided through a new centrifugal separator which is said to de-water sewage to a point permitting its incineration. . . .

A new precision spring scale embodies helical springs said to be substantially unaffected by temperature, creep effect, hysteresis. They're made of a new alloy of virtually constant elastic characteristics. Many other uses are foreseen. . . .



A new stretchable paper permits typewritten copy to be aligned evenly on right-hand edges, allows lithographic production of books, briefs, etc., closely resembling printing, but cheaper

A new aluminum paint which is said not to stiffen canvas or other fabrics has been developed for awnings, tents, etc. . . .

New display materials: a corrugated cardboard, said to be strong, durable, readily tailored, made in 15 brilliant colors; a bright, non-tarnishing chromium-plated metal in sheet form and offered in a variety of thicknesses, patterns. . . .

A new profile gauge aids in matching or duplicating moulding, etc. It consists of a set of thin metal strips which, pressed against the moulding, slide on each other to take its shape. . . .

Old newspapers, magazines, waste paper are reduced to paper excelsior by a new machine. It cuts curling strips of various widths, at rates up to 1,200 pounds an hour. . . .

A recently developed bomb shell for blowing out clogged oil wells is housed in a synthetic plastic, rather than metal, case. Increased safety, complete disintegration are claimed. . . .

Protection for revenue stamps on liquor bottles is offered by new transparent cellulose bands. Moistened, they're put over the neck after the stamp's affixed, shrink tight as they dry. . . .

A new, simple accounting system for small businesses is contained in one loose-leaf book, is said to be self-proving, to eliminate general ledger posting, to show periodic balance sheet and profit and loss statement, to facilitate tax returns. . . .

A new, light, non-warping, non-splitting tennis racket has a frame made of strong aluminum alloy tubing. . . .

Squeaking and wearing of moving parts, sticking of drawers, windows, doors, etc., are said to be stopped by a new waterproof lubricant in pencil form. It's said to contain no graphite, grease, wax or oil. . . .

A weapon against starlings, polluters of eastern buildings, is claimed in a new compound. Placed on cornices, ledges, its odor's said to be offensive to the birds, inoffensive to man. . . .

—Paul H. Hayward

Editor's Note—This material is gathered from the many sources to which Nation's Business has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

You can thank Prohibition for this Marvelous Whiskey

But when this slim supply of 16 and 18 year old liquor is gone it's gone for good — so be warned and act now!

Whiskey so rare as this is really "occasion" whiskey — not for the everyday cocktail or highball, but for the unusual occasion

WHEN Prohibition clamped down some fourteen years ago, quantities of choice rye and bourbon stood aging in the bonded warehouses of the country.

The government permitted this liquor to be held beyond the accustomed 8-year legal limit to meet medicinal needs during the dry regime.

When what now remains of that original pre-prohibition supply is exhausted, it is doubtful if again in your lifetime you will be able to purchase rye or bourbon of such rare excellence and ripe age.

The government, with its pressing need of revenue, will likely again make it mandatory that all liquor be withdrawn from warehouses at the age of 8 years.

How Much Still Exists?

Naturally each year the original stock has been drawn against, so that today only a fraction of these rare 16 and 18 year old whiskies remain.

Our pre-prohibition bourbons, for example, include such famous old names as Sunny Brook and Old Grand Dad, each over 16 years old. Some of them 18.



The famous brands OLD GRAND DAD, SUNNY BROOK *and* MOUNT VERNON *make up the greater part of this special limited stock, but also there are small quantities remaining of* HILL AND HILL, OLD McBRAYER, BOURBON *de luxe and* BLACK GOLD

Mount Vernon, our only remaining rye in this category, ranges in age from 12 to 13 years.

We regret we are unable also to include our 16-year-old Old Taylor in this brief list, but the supply has been exhausted for some weeks.*

How Long Will They Last?

We have good reason to believe that within 6 or 8 months at the most there will not be an unsold case of pre-prohibition rye or bourbon in the country.

At the present rate of sale, not only will our own limited supply soon be in private cellars, but also that held by others.

The public, apparently, has suddenly realized that these venerable favorites are fast disappearing from the market — and is acting on this realization.

Certainly at the very moderate prices asked they are prizes that cannot possibly again be duplicated in this generation — if ever.

**Excellent bonded 4-year-old Old Taylor, of course, is available at nearly all leading hotels, liquor stores and bars*

PRODUCTS OF NATIONAL DISTILLERS

NATIONAL DISTILLERS

This advertisement is not intended to offer this product for sale or delivery in any state or community wherein the advertising, sale or use thereof is unlawful.



ALL PHOTOS FOR NATION'S BUSINESS BY GEORGE LOHR

These men came to Washington to untie one of the toughest knots of the whole code program—what to do about outside salesmen. Unlike most NRA hearings, this meeting did not discuss a code. It discussed, rather, the wage and maximum hours provisions of codes already adopted. Only in the motor vehicle code and a few others do these provisions cover outside salesmen. In the others these workers are excepted, either in the code itself or, as in the case of the retail code, by administrative order. The salesmen, grouped on the right hand side of the aisle as viewed from the Deputy Administrator's table, ask no limitation as to hours but do request that they be covered by minimum wage provisions. Employers, assembled on the other side of the aisle, contend that this is impracticable because it is impossible to regulate salesmen's activities outside the office, because many salesmen work only part time and because, in many cases, a single worker may handle products of several employers. They say that a wage pro-



H. W. Hoover represented the Hoover Co. at the hearing



Alfred C. Fuller, of Fuller Brush, listens to the testimony

The Sales Attack on

ONE of the most perplexing paradoxes in the national economy is traceable to the dreary emphasis on surpluses—too many factories, too many men, too many natural resources, too much food. The public mind is oppressed with the bleak images conjured up by phrase makers—"the tragedy of plenty," "the gloom of glut," "the abomination of abundance." All thought of "demand" is obscured.

The twilight zone between overproduction and underconsumption is difficult to define. When fear contracts the characteristic American urge to raise the standard of living, trouble begins. The lines between factory and store are clogged with goods. Workmen are laid off. Business is prostrate. Hard times grip the land.

"Overproduction," says one school of economists. "We must produce less."

"Underconsumption," says another and more optimistic school. "We must sell more."

This school knows that there is no



vision would mean employment of fewer salesmen. Representatives of the men declare these obstacles can be surmounted. Estimates place the number of workers affected at between 700,000 and 1,000,000 and hundreds of telegrams and letters arguing both sides of the proposition poured into NRA offices before the hearing. More than 80 witnesses, among them Samuel Untermeyer who represented the salesmen, filed applications to testify. No decision has been reached

Paul H. Nystrom, Columbia professor of marketing, discussing NRA at the American Association of Advertising Agencies convention. He declared that "rapid price increases are retarding standards of living" . . . "arbitrary conditions of trading resulting from codes are causing a new wave of bootlegging" . . . "higher prices will arouse efforts for higher wages and cause social unrest" . . .



Surpluses

such thing as "demand" unless it is created and stimulated. It knows that buyers do not come forward automatically and call for products by name, that no man can beat a path to a door he does not know. It knows that the order book is an inventory of progress, signifying the activity of money and credit, the functioning and circulation of assets, the lively exercise of the nation's economic powers, the brick exchange of goods and services which becomes unmistakably manifest in the state of affairs recognized as national prosperity. This school knows, too, that for every worthy product there is a human want—that, if that want can be translated into action by the overcoming of fear, there will be no overproduction. Ambassadors of style, harbingers of change, cultivators of good will, extenders of knowledge, this school articulates interest and translates it into orders, the motive force of trade and industry the world around. Its intelligent optimism is a bright beacon in an era dominated with dark grays.



Representatives of a group which wields a powerful influence in moving the nation's goods. Henry Ewald, right front, puts the Chevrolet sales appeal into print. William D'Arcy, beside him, has, in 18 years, convinced millions that Coca Cola gives "the pause that refreshes." Just beyond is John Benson, AAAA president. Extreme left is A. H. Kudner who tells of the researches back of Goodyear tires. Behind him is C. A. Oswald, specializing in making banks more understandable. Thomas L. L. Ryan, beside him, explains why Ipana tooth paste means whiter teeth. Charles Daniel Frey, next in line, reveals the human side of the Household Finance Corporation. Guy C. Smith, who designs Kelvinator copy, comes next beside Milton C. Blair who handles Swift & Company advertising. Fred C. Gamble is executive secretary of the AAAA

Now All Must Share Code Costs

A SIGN on the porch says "Hauling and Express." In the back yard is an uncertain light truck. I dickered with the owner to haul some stuff. Afterwards I asked him if he intended to pay his $3 assessment to his code authority. He used an expression. It meant "No!"

In this humble incident, the National Recovery Administration's latest problem is reduced to its simplest factors.

The problem grows out of two official documents. One was an executive order issued by President Roosevelt on April 14. The other was an administrative order by Gen. Hugh S. Johnson, NRA Administrator, issued on the same day but superseded by another on May 26. The Presidential encyclical authorized compulsory collection by Code Authorities of the expenses of code administration. General Johnson's order stated the conditions under which the Code Authority might enforce collections.

The practical effect of these mandates was to permit industry to compel all its members to share the cost of self-regulation. The size of the sum needed, the propriety of collecting it in this way and the problem of whether it can be collected at all offer excellent conversational possibilities.

A tax, or not a tax?

FROM all this conversation very little can be learned. Nobody knows how great the cost will be. The question of propriety hinges largely on whether or not the levy is, to all intents and purposes, a tax. The Constitution provides that only the House of Representatives may originate tax measures. Those who define this assessment as a tax regard it as constitutionally improper. Whether it can be collected or not depends largely on the efficiency of machinery which earnest men are now trying to set up.

To fill in the details of the situation, it is necessary to examine some recent history. The National Recovery Act, passed in June, 1933, provided that the industries of the country should adopt codes of fair competition. To administer these codes, each industry set up a body which, in most cases, is known as a Code Authority.

It was presumably obvious from the beginning that these Code Authorities were going to cost money, but in only a few instances was any specific arrangement made to collect it on a compulsory basis. This situation, it is explained, does not seem to have been an oversight. It appears that code committees and the NRA both assumed that if the members of the industry would not voluntarily support the code authorities, some means would be found for collecting assessments to cover expenses. In other words it was assumed that those who enjoyed the benefits of codes would have to support them.

Some codes dealt with this in general terms by providing that members of the industry were entitled to participate and share the benefits of the code by complying with it and bearing their reasonable share of expenses, to be determined in some equitable manner subject to approval by the Administrator. The Retail Code contained such a provision so that expenses were to be "equitably assessed and collected—subject to the approval of the Administrator." Under regulations issued on the basis of this clause, the National Authority was authorized to assess members of the industry 25 cents per employee for the national organization and local Code Authorities were authorized to assess an additional amount up to 75 cents per employee to cover local expenses. In no case was the total assessment to exceed one dollar.

This worked out well or badly depending on who tells you about it. The fairest judgment seems to be that it worked in some places and not in others.

A general feeling seems to be that collections would have been better had the Code Authority originally been permitted to issue Code Eagles. Given this authority, it could have restricted distribution only to those who paid their assessment. This authority, incidentally, has recently been allowed.

In the meantime, other Code Authorities were getting along on voluntary contributions. Many of them, especially in those industries which had strong trade associations, were doing very well. Others were finding pretty lean pickings and, even where funds were liberal, the fact remained that the procedure seemed inequitable. All members shared the benefits of the code but only a portion of them contributed to its support.

The new orders will change this situation only in those industries which desire a change. Code Authorities which prefer to rely on voluntary contributions may continue to do so. In fact, some may continue to do so even though they prefer not to since General Johnson's order sets up a rigid formula for Code Authorities to follow before they can enforce collections.

One of these provisions temporarily exempts employers whose operations may be affected by two or more codes from obligation to contribute to the expense of administering any code except that covering their principle line of business.

Others provide that:

Amendments may be needed

NO CODE Authorities may "request or demand" compulsory contributions unless the Code either specifically makes non-payment a code violation or creates a legal obligation.

This means that it will be necessary to amend many of the codes before payment can be enforced.

The regulations provide, further, that an itemized budget of proposed expenditures and an equitable basis of contributions must be approved by the Administrator. This provision made it necessary for NRA to set up a budget committee and procedure. Under the plan as worked out, the Code Authority prepares and submits its budget to the NRA Deputy Administrator who, with the aid of the NRA budget committee, on which an attorney and a member of the research staff serve, studies not only the figures but the plans for safeguarding and auditing the funds and for bonding those who handle them.

Members of the industry who wish to protest, either the size of the budget or the basis of assessment send their complaints to the Deputy Administrator. These complaints are received in writing and public hearings are unusual. Necessary changes are worked out by the Deputy Administrator and the Authority.

When the budget finally satisfies the Deputy it is given the Administrator's approval and the Code Authority is empowered to bill every member of its industry for his share of the expense of administration.

The individual share is determined in different ways in different industries. In the trucking industry, whose budget was one of the first to be approved, the assessment is at the rate of $3 for each truck operated for hire. Other budgets, approved and pro-

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posed, make 1933 sales the basis of payment, the rate ranging in different industries from one per cent of sales down to one-twentieth of one per cent. In some of the extractive industries, the rate is based on production—the lime industry, for instance, proposing five cents a ton as the rate to be charged its members for code administration.

In still other cases, the assessment is based on the number of employees. The Printing Equipment Industry and Trade, the Retail Merchants and the Investment Bankers use this method. The electrical contracting budget, recently submitted, proposes a variation. The assessment in this industry would be one per cent of productive labor pay rolls.

Maximum and minimum provided

MANY of the budgets also provide maximum or minimum payments for each member of the industry.

In each case, apparently, the needed budget has been estimated and a basis of assessment selected which would yield approximately that figure. The size of the budgets varies from $2,750,200 proposed for the general contracting division of the construction industry to $3,750 for the Dry and Polishing Mop Manufacturers.

Most of these figures are not yet approved, but even if the budget committee alters them, either up or down, the most casual acquaintance with arithmetic will show that they total a handsome sum. Whether, in the end, this sum will mean added expense or an actual saving for industry and its customers is a subject for vigorous debate.

Those who argue one way can point to the figures as an added charge of doing business. Those on the other side declare that if the codes, properly administered, end unfair competition with its losses from price cutting, bankruptcies, bad debts and other evils which, in the end constitute expense for business and the public, the gain will far exceed the cost.

Further debates flower luxuriantly over the question of whether the Authorities will be able to collect the assessments. The new rulings give them power to do so, but they also provide ample opportunity for individual protests. A member of the industry who receives notice of assessment, but does not wish to pay, has 15 days to file a protest with NRA. If he files no such protest or if his protest is overruled and he does not pay within 30 days, the Code Authority then files with the Compliance Division of NRA a "Certificate of Non-Payment of Contribution."

What happens then is up to NRA. The Code Authority has no right to withdraw the Blue Eagle.

Getting down to cases, this means that my recalcitrant truck driver has probably, by now, received notice that his $3 is due and payable. If he has changed his mind and decided to comply, ample facilities have been provided for his convenience. The Code Authority has set up a far-flung organization of accredited agencies for receiving funds. Sometimes regional or local Code Authorities are used. Sometimes county clerks or justices of the peace. Funds so collected are deposited in appointed banks and machinery is available to provide a constant check on them.

Having paid, the truck driver is given a tag to fasten on his truck. This emblem announces to the world, but more particularly to his competitors, that he has met his code obligations. It is the competitors who are expected to turn in the non-contributors.

In other industries, methods of rounding up recalcitrants are in doubt.

Education is expected to help solve the problem and ambitious publicity campaigns are now going on.

"But," the cynics still ask, "suppose, in an industry where assessment is based on number of employees, some employer pays on the basis of three employees when he actually has five? How can the Authority collect for the other two and will it be worth while to do it?

How much would it cost, for instance, to collect my obscure truck driver's $3, and, if the return did not justify the expense, would action be taken anyhow to uphold the majesty of the NRA?

A question for the future

PEOPLE who are going to have the job of enforcing these collections dodge that question. They say, and truthfully, that they have been busy with immediate problems; that this is a problem for the future and they will solve it then.

Some idea of what the solution will be, however, is offered by the statement made by the Furniture and Floor Wax and Polish Code Authority in submitting its proposed budget.

The statement estimates the volume of the industry at $12,000,000. The basis of assessment is one-fifth of one per cent of dollar volume of sales. This would mean a $24,000 budget, but the Authority, basing its figure on three months' experience, estimates the amount of the assessment collectible at 80 per cent.

The budget submitted is for $18,720.—P. McC.

TRUCK NEWS!

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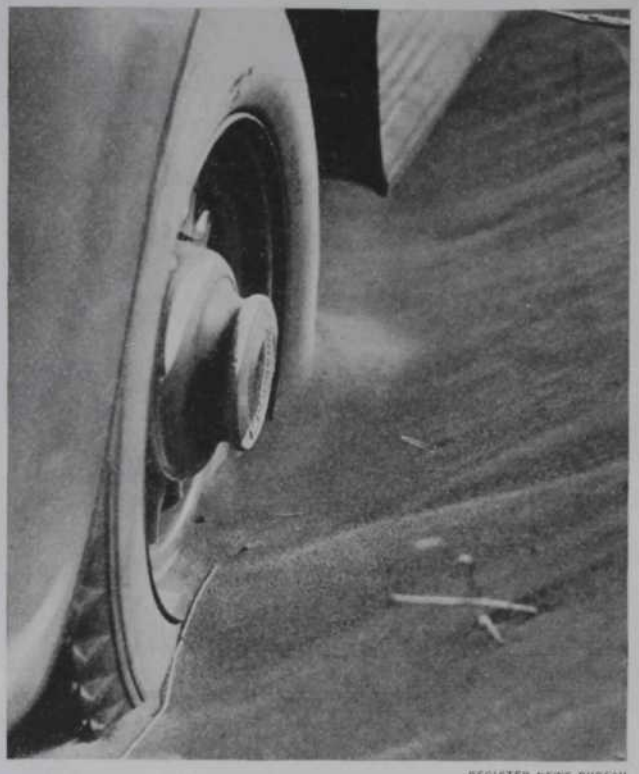
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The Drought, Food and Business

By ERIC ENGLUND

Bureau of Agricultural Economics, U. S. Department of Agriculture



REGISTER NEWS BUREAU

Hub deep on a paved road. Caught in an Iowa dust storm, the owner had to abandon this car

●

EXTENSIVE drought assumes the proportions of a national problem. While it raises no specter of famine before the country at large, it promises to have its effects on most, if not all, of our citizens and businesses

CLOUDS of dust that darkened the sun on May 11 emphasized dramatically to easterners that the West was in one of the worst droughts in our history. Wind-borne soil lifted a mile high and carried across more than half the continent told millions of people in the eastern states, more forcefully than headlines, that crops were being destroyed, fields and range lands made bare, cattle suffering for lack of feed and water, and farm families in want and facing destitution.

The extent of the drought itself with its far-reaching effects, direct and indirect, concerns every part of the country. Crop conditions as of June 1, reported by the United States Crop Reporting Board, indicate "a sharp decline in crop prospects, heavy losses of early crops and, for this time of the year, a record low condition of pastures and of low level of milk production per cow and of egg production per hen." This is not to imply, however, that the direct result, destruction of crops, will be such as to force us onto short rations nationally, though naturally such widespread crop losses have raised the question of a food shortage.

This question has arisen, of course, in every year of extensive drought. In 1930, for example, a burst of publicity, coupled with the dramatic elements inherent in drought, aroused no small degree of fear, and caused retail prices of some fruits and vegetables to rise. There was talk of much greater price increase. But reassuring official pronouncements and statistics on total production and aggregate food supplies soon dispelled the fear of a national food scarcity.

This year the same question of food shortage was promptly answered by two sets of facts:

First, growing conditions were fair to good along the Atlantic Seaboard, in that inland empire south of Ohio, Indiana, Illinois and Iowa, and including parts of these states; and southwest of a line running through central Kansas and into west-central Texas. Favorable conditions also prevailed in the northern part of California, the greater part of Oregon, all of Washington, the northern half of Idaho, and the western end of Montana. These regions include great sources of fruits, vegetables, and other food crops which, for the most part, were doing well according to their season. Prospects for apples, however, are unusually poor, due largely to winter injury, and late frosts.

Second, there is no prospect of a wheat shortage, even though drought has been added to acreage reduction. Even if the total wheat crop should be about 500,000,000 bushels, the smallest since 1893, as indicated by official estimates of June 1, our wheat carryover of about 260,000,000 bushels would assure an ample supply to meet our normal requirements of about 625,000,000 bushels for food, feed, and seed next year.

Constant supply

THE nation's total supply of grain has been relatively constant over much of the first third of the century, even through years of drought, up to 1933. This is due not only to differences in farming areas affected and in severity of drought, but also to the fact that the grain is produced over a territory so wide that dry years seldom affect seriously the greater part of it. The nation's bread grain, especially wheat, available for domestic consumption has been even more constant than total production because shortage at home could easily be met by dipping into the supply ordinarily available for export.

Good prospects for fruits and vegetables, plenty of wheat in storage to make up any possible shortage in this

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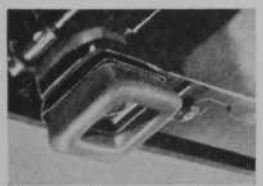
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year's crops—these are the reassuring answers to the food shortage questions. They serve to offset in a measure the forebodings of scarcity of feed and forage crops. Some urban dwellers have already felt the effects of this last. In New York State, for example, the Milk Advisory Committee ordered a state-wide milk price increase of a cent a quart on June 5, due to the effect of drought on pasturage and feed crops with the consequent reduction in output per cow and added costs to dairymen.

The consumer of meat, the butcher, and even the large packer also are feeling repercussions. As a part of the general upswing of the cattle cycle, the numbers of cattle increased in the drought states in the past five years despite the effect of three years of dry weather on crops, pastures and ranges. This means actual or near overgrazing in many places, which in a year like this compels forced sale of cattle to keep them from starving.

As a result, receipts of cattle at seven leading markets in the last three weeks of May were 36 per cent greater than in the same period a year earlier. At Sioux City, Iowa, the slaughter of "canner and cutter" cows in May was seven times as large as in that month a year ago.

This increased supply, coupled with inferiority of meat from poor or unfinished animals, caused prices of these animals to fall sharply—about 30 per cent in as many days. Meanwhile choice steers advanced in price and those of good grade held steady.

To the city consumer the drought means now and in the near future less beef of high grade and more of low grade, and price differences accordingly. Later it will probably mean less of both kinds, especially if the drought is prolonged to the point of impairing late feed crops.

Forced liquidation of live stock means that significant reduction in total cattle numbers will come earlier than otherwise. The drought does affect food supply in the sense that some foods will be less abundant, due to nature's whimsical, and tragical, curtailment of production.

Still other effects of the drought may be felt through many channels of business, because of the greatly diminished buying power in the stricken areas. Cash will be short among farm families there, notwithstanding the fact that large sums are being and will be disbursed for relief and for rental and benefit payments (these last are based on past average production and therefore are not reduced by a year's crop failure; in effect they provide a form of crop insurance).

Drought is widespread

THE Dakotas, where the drought is worst, had a population of nearly 1,400,000 in 1930, practically all of whom are affected by the drought, even those who do not live on farms. Add to this the farm population of other drought states in the Middle West and areas of the intermountain country and it is plain that the income and buying power of a large population are seriously impaired.

The ability of farmers to buy goods and to pay their debts depends on their cash income. Even in the depression year of 1932 the gross cash income of farmers in the Dakotas and Minnesota totalled nearly $287,000,000, having shrunk from $821,000,000 in 1929. This figure is enough to suggest to any business man seeking to widen or to hold his market outlets, especially in the drought territory, that crop failures on the scale now in prospect mean far fewer sales. And fewer sales ultimately mean lessened production and employment in the affected businesses. Automobiles, farm implements, clothing, goods of all kinds would ordinarily find many buyers in these areas.

To predict the net effects of drought on total food supply and on business would be like predicting the course of the weather. Early general rains would affect crop prospects, as illustrated by the up's and down's in the grain market on weather news. Yet it is obvious that business is affected in the drought area, and elsewhere in lines that depend on that area for part of their market outlet.

The railroads will feel the effect of



REGISTER NEWS BUREAU

Dust storms, by-product of the drought, left dunes like this. Although there was little wind, the shifting particles have already filled footprints of the photographer who walked across the dune just before snapping the picture

reduced shipments of grain and other crops to market, and of industrial products into the area. Incidentally, the railroads are again taking a large part in drought relief by carrying feed and live stock as "drought shipments" at reduced rates. In 1930 they carried 67,425 carloads for the drought counties at a rate reduction of as much as one-half.

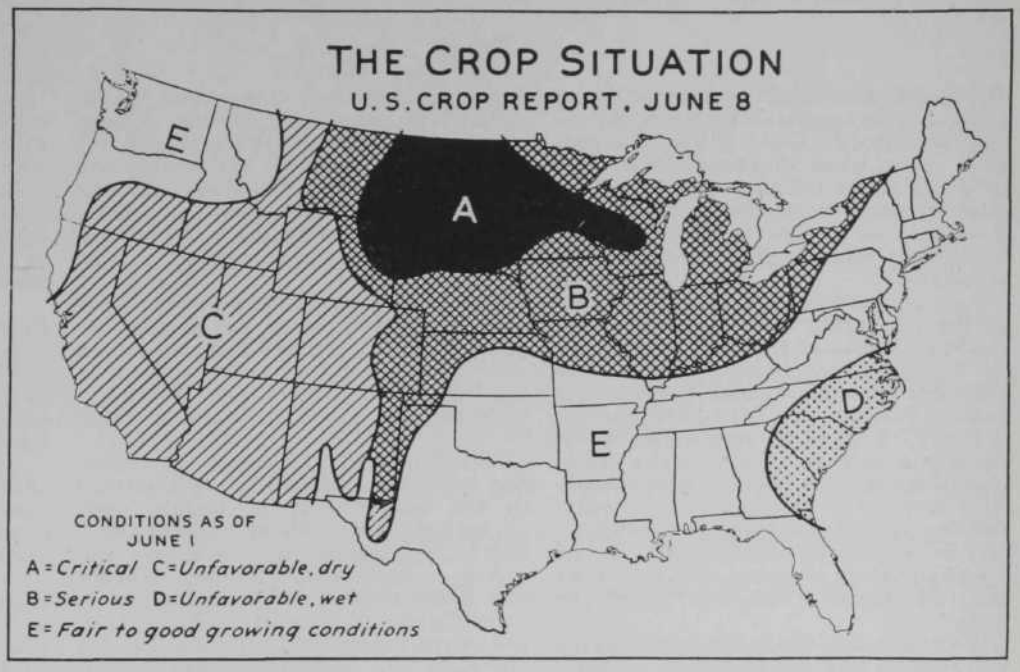
But, some may say, prices of farm products will be higher elsewhere and the income and buying power better in farm communities not struck by the drought. Granting that there is some tendency in that direction, this cannot possibly offset the depleted buying power of the drought areas.

Finally, this drought is forcing itself upon the consciousness of every section and citizen by the very facts of the drought itself. The cumulative effect of several years of moisture deficiency has taken its tragic toll in denuded fields and grazing lands, wind-drifted soil, starving live stock, bankrupt farmers, and despairing farm families. The proverbial optimism of those who are used to facing the uncertainties of weather has had a severe jolt, for the game has gone against them for several years now.

The drought area covers a vast agricultural region of which North and South Dakota, the states most severely affected, are the approximate center. From June, 1933, to May, 1934, these States had but slightly more than half the normal precipitation. In May they had 28 and 33 per cent of normal, respectively. The results were all the more disastrous because of the preceding years of insufficient rainfall. In addition, grasshopper infestation in South Dakota and in some other areas threatened much damage.

Much of the intermountain territory and the southern half of California suffered from poor pastures, shortage of irrigation water, and deficient supply of ground water, making it necessary to deepen wells and to take other and often expensive means of meeting even the basic needs for water.

The drought became increasingly severe as May ended, spreading rapidly east and south of the Dakotas and Minnesota into Michigan, Illinois, Indiana, Ohio, and even into West Virginia, western New York, and Pennsylvania. Drought also extended south from the Dakotas to include much of Nebraska and Kansas, and reached into the "Panhandle Country" of Oklahoma and Texas. In fact nearly all of the interior of the country north of the Cotton Belt suffered from lack of rain. The detailed story of the resultant crop damage appears in the official crop report of the Department of Agriculture of June 1. About 46 per cent of all horses, mules, sheep and cattle and about 54 per cent of the hogs in the United States are within the 16 north-central and western states in which grain and hay, pastures and ranges have been worst stricken.



The drought area covers a vast agricultural region of which North and South Dakota, the states most severely affected, are the approximate center

These facts may serve to show the national character of the problem, a character which is emphasized by the Federal Government's assumption of the burdens of relief in the drought areas. The national obligation to relieve acute distress in areas severely affected by drought, storm, or other disaster is being met in this instance on a vast and unprecedented scale.

Relief is well organized

MILLIONS are being poured into the acutely stricken areas for relief of immediate human needs and for maintenance of live stock—milk cows, poultry, etc.—for family use. Live stock beyond the numbers that can be fed are being purchased for slaughter to keep them from starving, to salvage the value that may still be in them, and to afford some immediate returns to farmers.

Both in this and in the fact that a drought so extensive still threatens no national food shortage we have compelling evidence of this country's economic organization and power, and proof especially of the strength of our agriculture as a whole to meet our food requirements despite the most unusual vagaries of nature.

In many countries, China for example, a drought which substantially reduces the output of food in any year brings famine to millions. Not only is there little leeway between the normal level of existence and the level of starvation in any particular region, but there are also inadequate transportation and social organization to relieve stricken areas.

These basic differences between our own and certain other countries, coupled with our vast powers to produce, give us nationally a sense of immunity against food shortage. They obscure, but do not dispel the national nature of the present drought problem and its diverse and far-flung effects.

Looking beyond the immediate future, still another national aspect of the problem arises out of the need for agricultural adjustments and rehabilitation in these areas with the return of more nearly normal precipitation. Weather data indicate that a return to normal rainfall is possible, even though this holds small comfort for drought sufferers now. Says Willis R. Gregg, Chief of the Weather Bureau, "the background (nearly a century of weather data) would indicate, if history is to repeat itself, that another recovery in these seriously dry northwestern states is due, but this is a mere statement of historical facts and not a forecast for the immediate future."

New Ideas in Selling

Reflecting a few of the recent highlights in the advertising and selling world

Who calls this turn? Selling is being more or less regulated within many industries through codes of fair competition. But what happens when the products of one industry compete in the market places with those of another? Who acts as umpire in deciding what constitutes fair competition as between industries?

Such a situation has arisen in the case of the oil burner and gas heating industries. Merits of the case to one side, the oil burner people assert that an "inequitable situation" exists between the natural gas code and their own. The gas industry, to quote an ex-member of the oil burner code authority, despite representations made by the latter at the gas code hearing in January, "have continued to employ misleading advertising and to engage in unethical and unfair merchandising practices not permitted the oil burner industry under its code."

With no action forthcoming from NRA to regulate this interindustry competition, the oil burner men are now proposing "to carry the facts to the public and to municipal, state and federal authorities" to offset what they term the "paralyzing effect" of the gas-heating campaigns they inveigh against.

Expert aid. Interior finish experts have been enlisted by a wallboard manufacturing company to aid in merchandising its product. Travelling with the company's salesman, these experts call on dealers and address meetings of architects, contractors, window decorators and others, explaining how to apply the product, design attractive interiors with it, create interesting designs and effects on it through the use of special tools.

New in Packages. An old olive oil is being bottled in a new container modelled after a Grecian urn and reusable as a bud vase. . . . A new salad dressing is offered in a Mason jar, reusable for home preserving (even the rubber ring's included).

Engineering sales. With the air-conditioning industry progressing rapidly so far as engineering data, manufacturing facilities and market public interest are concerned, manufacturers now face the problem of stimulating sales. One manufacturer, General Electric, is attacking this problem through an air-conditioning institute. Public education, directed toward sales, is only one of the institute's purposes, however. It also aims at keeping users sold on air conditioning by insuring proper application, installation and servicing of the equipment, all vital to successful operation. Only trained engineers can do these things, and the institute's training them through a thorough-going engineering extension course (500 engineers enrolled) and factory and district training schools. Meanwhile, the institute is pushing forward on still a third front, research and testing, through a proving home at Schenectady.

Free offering. We've just run across a knockout brand name for a beer, replete with meaning and slogan possibilities. It's the last word in Webster's New Unabridged and there you have it—Zythum Beer, The Last Word in Taste.

One call does all. Distributing, adjusting, collecting and selling are combined in one operation by a Georgia meat packing company which sends a truck and trailer, manned by a salesman and driver, on a three-day, 200-mile delivery trip twice a week. While the driver is carrying the merchandise into customers' stores the salesman takes orders for his next trip, collects, makes adjustments and checks deliveries. The plan is said to save the expense of a salesman's car and to prevent excessive returns since adjustments are made on the spot.

Curtains for Auto Show? The January national automobile show in New York City and the subsequent dealer shows in other cities may be supplanted next year by a single week of dealers' shows, staged from coast to coast. Under the plan now being considered by the industry a National Automobile Week would be instituted for the shows, perhaps between February 15 and March 1. According to the National Automobile Chamber of Commerce, experience has shown that best results come from dealers' shows at the beginning of the selling season. The New York and subsequent Chicago shows have been staged from one to two months in advance of the selling season and have proven expensive so far as immediate sales returns go. While admitting this last, there are those who contend that these two shows justify themselves by focusing attention on the new cars and building backgrounds for spring selling efforts.

On their toes. An alert Kearney (Neb.) auto dealer capitalized Kearney's first bank robbery by advertising the fact that the bandits chose for their use a model from the line he carried. The car's "speed, pick-up, power, getaway" made it a logical choice, he pointed out, and recalled its demonstrated "ability to take corners at reckless speed."

Similarly alert was the floor wax manufacturer who, following the widespread dust storm in May, advised housewives to protect their floors and furniture against another by use of his wax.

Promotion. A 16-minute informal explanation of the retail grocery code by Administrator A. W. Riley is offered retail and other groups through a packing company; the company's had the speech transcribed on phonograph records. . . . A California dairy helps housewives answer the ever-present question, "What shall we have for dinner?" It puts a circular paper band carrying menu suggestions on its milk bottles. . . . Following its opening of a new plant in a Massachusetts city, a textile company launched a ten-weeks' community campaign to interest local stores and consumers in its fabrics and, incidentally, to cement community goodwill; the campaign included a banquet and a tea for civic leaders, and newspaper advertising.

Odd Lots. An Ohio pottery has inaugurated a national advertising campaign; it's said to be the first to be undertaken by a domestic pottery of its own accord and under ordinary conditions. . . . One brewer is now dating his beer—but to prove its age rather than its freshness (the brewing date's stamped on the neck band of every bottle). . . . A gentleman who wants a job (erstwhile editor of an advertising journal) is seeking it through a 24-page illustrated booklet entitled "Imagination for Sale."

—Paul H. Hayward



A three-fold problem—subscription sales, pattern sales, merchandising the magazine as an advertising medium—is attacked by McCall's through this travelling theater. A four-reel sound movie, "Living Pages," dramatizes the publication

Ministers Turn To the Left

"AMONG *all the trades, occupations and professions in this country, few can produce as high a percentage of socialists as the ministry.*"

The quotation (including the italics) are from *The World Tomorrow*, a bi-weekly edited by the Rev. Kirby Page and devoted to Christian Socialism.

The editor reaches this conclusion after summing up a questionnaire sent to 100,000 clergymen of practically all Protestant denominations and to some Rabbis and answered by some 20,000.

The questions divided into two groups, on war and peace and on economic questions. As to the first, the answering clergymen are as a whole pacifist though half of them thought they could conscientiously serve as chaplains in war time. The economic questions culminated in this:

Which economic system appears to you to be less antagonistic to and more consistent with the ideals and methods of Jesus and the noblest of the Hebrew prophets?

Capitalism ("rugged individualism" as in the United States prior to 1929).

A Cooperative Commonwealth (in which the service motive is predominant in individual life and in all social arrangements).

The Cooperative Commonwealth won hands down, 18,000 to 1,000. It would be hard to expect much else. That a clergyman should vote against cooperation and service in individual life is hardly to be expected.

Favor reformed Capitalism

THE 18,000 were then asked to choose from among these as the best means to the end of a cooperative commonwealth: Drastically Reformed Capitalism, Fascism, Communism or Socialism, and 10,691 voted for the first and only 5,800 for the second.

Put aside the word drastically and all of us are for reformed capitalism if your definition of reformed is "altered for the better." We are for the reform of many things, if only we felt that the new would be better than the old. We have heard some very prosy and many thought-provoking ones. We are in favor of reforming the poor preachers and retaining the good ones.

When all is said and done, only 20,000 out of 100,000 answered and less than 6,000 of those were avowed socialists. Nearly all the answering clergymen wanted further limitations on wealth and income but when it came to "socialized banking as a public service" they were in doubt.

the VESSELS that travel on RAILS



They're pressure vessels of which we speak... gigantic containers that often can travel over no other road between New York and Chicago but the Erie. For it has the greatest clearances, plus the special equipment and heavy duty track which allow more-than-carload shipments to roll faster over the Erie.

• Whether your shipments are L.C.L. or more-than-carload, Erie service insures on-time delivery in good order. For L.C.L. freight Erie provides door to door collection and delivery service, combining the flexibility of trucking with the speed and dependability of rail haul.

ERIE RAILROAD SYSTEM

THE HEAVY DUTY RAILROAD

MEN WHO "KNOW IT ALL" are not invited to read this

THIS MESSAGE is not for the wise young man who is perfectly satisfied with himself and his business equipment.

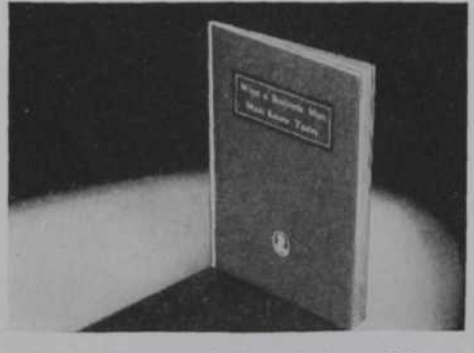
It is for the man who feels that he ought to be earning several thousand dollars more a year, but simply lacks the confidence necessary to lay hold on one of the bigger places in business. He realizes that business has radically changed in the last few years, but he doesn't know all the new rules that have to be mastered.

We should like to put into the hands of every such man a copy of a little book that contains the seeds of self-confidence. It is called "What a Business Man Must Know Today," and it will be sent without obligation. It contains the announcement of the Institute's new Course and Service. This Course is an up-to-the-minute business aid; its contributors include such outstanding business leaders as Alfred P. Sloan, Jr., David Sarnoff, Colby M. Chester, Bruce Barton and many others equally prominent.

FOR THE MAN WHO WANTS TO BE INDEPENDENT 5 YEARS FROM TODAY

For the man who is perfectly content with himself and his job, the Alexander Hamilton Institute can do nothing. But there are thousands of men who could double their financial security if they believed in themselves and had the solid business knowledge to back up their belief.

The little book pictured below should be read by every man who expects to win a secure place for himself in the next five years. It explains some of the changes which are taking place in business today. It contains the condensed results of 25 years' experience in helping men to forge ahead financially. The coupon below will bring it to your desk. Send for your copy today.



To the Alexander Hamilton Institute, 765 Astor Place, New York, N. Y. Send me "What a Business Man Must Know Today," which I may keep without charge.

Name

Business Address

Business Position Age

When writing please mention Nation's Business

Standing Above the Crowd

A FEW years ago, a young man, recently out of college, applied for a job in a large plant. He knew nothing of industrial methods but was interested in "making things." He wanted to take hold of the kind of work that appealed to him. He entertained no exalted ideas about his start in the business world and came to the employment department just as an illiterate man would have done.

He was hired and assigned to a section where the tasks were exceptionally heavy. So taxing were the physical demands that even employees accustomed to hard manual labor did not remain long, soon deciding that they could find easier work elsewhere. The labor turnover was excessive and much time was lost breaking in "green" hands.

The only related training the young man had came from his football experience. In that field, too, he had met, without flinching, severe physical tests. From the instructions of his coach he had learned one valuable lesson. When he was physically exhausted, he had been taught to take "a breathing spell" and then to go back and hit the line hard.

He now applied this same principle in the shop. He worked until he could stand it no longer. Then he took a day off and afterward jumped into the fray with renewed courage and vigor. In this way, he was able to stand the gaff and came to be depended upon by his foreman for steady output. Because of rapid changes in personnel, he soon took his place as an "old" man.

After less than a year, the foreman resigned, and on leaving, recommended that the young college man be given his place. This was the boy's first upward step. It was taken in a natural way, without favoritism of any kind to account for it.

Training new men

BEING now in charge of the department, he could weigh matters of control, and did so in the light of his recent enterprise. The custom had been to assign green men to work with experienced hands and thus simplify the matter of training. As the older employee was seasoned and successful, the new man became discouraged by the contrast and soon left the plant. The young foreman decided on a change.

When freshly hired men entered the department, he arranged for them to have enough instruction to start their tasks which were not complicated. He put green men together and provided special supervision until they had mastered their jobs.

He advised them, when exhausted, to drop out for a day, take a rest, and come back, physically refreshed. This simple change worked wonders in the department.

In a short time the labor turnover, instead of remaining the heaviest in the plant, became the lightest. Men stayed with the foreman and the work because they were dealt with sympathetically.

What had been accomplished came to the attention of the General Manager. Up to that time he had known nothing about the young man. Now, he said, "If he can do this for one department, perhaps he can do something for the rest, if he has the chance."

He made him Employment Manager and later advanced him to be Manager of Personnel for the great plant.

There is no such thing as being "lost in the crowd" when a man faces his task intelligently and puts into it not only his hand, but his head and heart, as well.

—RONALD FOXCROFT

Attractive names

THE chemists know their test tubes, but they do not know their glamour. William Howard, publicity director of Gimbel Brothers, New York and Philadelphia, is the testifying authority. He suggests that the new materials created by science should have names which "connote their beauty and glamour."

Rayons, acetates, cuprammoniums would be called something else in his bright lexicon of commerce.

"I predict," he said, "that if new names were adopted, every one connected with advertising would use such terms. At that point we could do a good deal to break down the insistence of women who still think back to the Neopolitan ice cream party era of synthetic textiles."

Precision of description may be all on the side of the laboratory men. The trouble is that the garden variety of human is apt to forswear the beauty of a primrose by the river's brim if he has to mention it as *Primula vulgaris*.

Effect of Changes in Gold's Value

(Continued from page 30)

gold standard. From such a collapse there is no cyclical recovery. The collapse is accompanied by a business cycle, just as a tidal wave may be accompanied by a tide.

The world is in a chaotic period which is resulting in violent fluctuations in the demand for gold. It will take a considerable period to overcome the monetary chaos. After a hurricane has passed, the ocean does not at once become peaceful. The country has had one similar experience which lasted for about a third of a century following the outbreak of the French Revolution. Many of the countries of Europe went on a paper basis and gold and silver lost value because of the reduced demand for them. The United States continued on a hard money basis, but commodity prices rose 72 per cent from 1791 to 1796. This was not due to discoveries of gold or silver, but was due to a reduced demand in Europe. With the return of Europe to hard money, a price collapse occurred from 1818 to 1821, and there was no cyclical recovery.

In this, as in any other period of rising value of gold, the gold-using world is confronted with only two alternatives. Either the process of deflation has to be completed, or the gold value of the currency has to be reduced. The amount of deflation necessary was so great that one country after another was forced off the gold standard. Only two, Holland and Switzerland, are attempting to maintain their pre-war gold currencies. Those countries that suffered from severe paper inflation, and had revalued their currencies before the depression, were so impressed by the devastating effects of inflation that they have persisted in the even more devastating process of deflation until some of them have had revolutions resulting in dictatorships. But some of them are beginning to act.

After having proceeded on the deflation route until further progress in that direction was impossible because of a complete collapse in the nation's financial structure, the only possible procedure was to cheapen the dollar in order to bring about a rise in prices. Since the debts and inflexible charges could not be forced down, the flexible prices had to be raised.

Reflation does not call for an equal rise in all prices. Its very purpose is to restore equilibrium by increasing those things that fell, since we could not bring about equilibrium by bringing the other things down. Some manufacturers who have not lowered their prices strikingly have a mistaken idea that reflation requires them to increase prices, and efforts have sometimes been made to restrict competition to such an extent as to make this possible. What is needed is an increase in prices of those things which fell most, with little increase in those prices which fell least. For example, from July, 1929, to February, 1933, scrap steel fell 64 per cent. Steel rails fell only seven per cent. In the next year scrap steel rose 110 per cent and steel rails fell nine per cent. This left scrap steel at 75 per cent of the 1929 figure and steel rails at 85 per cent. Recovery was aided by the fall in price of steel rails.

Equilibrium is needed

THE same principle holds throughout the price structure. Those commodities, wages, and services which fell little should rise little. Those commodities, wages and other things which fell most should, in general, rise most. Whenever a price rise occurs, this procedure takes place automatically if not interfered with. For example, prices paid to farmers for food products rose 47 per cent in the year ending with February, 1934. Prices of the same food products at retail rose only 22 per cent, even after the processing sales taxes were added. Prices of basic commodities as indicated by the *Journal of Commerce* index rose 67 per cent, but the Bureau of Labor index for 784 commodities rose only 24 per cent. This includes many manufactured goods which fell little and for which little rise should occur. In February raw materials were generally at about pre-war prices. The Bureau of Labor index was still a little high in comparison with basic commodities. The cost of living declines very slowly. From June to December it rose only five per cent, but was still very high when compared with wholesale commodity prices.

The United States left the gold standard internally on March 6, but for a time exchange rates were controlled so that the dollar was kept at par and little benefit came from being off the gold standard. On April 19 this practice was discontinued and the price of gold in dollars rose rapidly, or the dollar declined in gold value. Since there was no way of telling how much the price of gold would rise, the commodity markets outran its price. There was no means of controlling the dollar. It fluctuated due to speculation in exchange in this and other countries, as well as to exchange operations by other governments. It also fluctuated due to inflationary and deflationary propaganda.

A violent strengthening of the dollar, or fall in the price of gold, occurred in October. Heavy government purchases of farm products were made to check the fall in prices, but a deluge of liquidation held over the markets. It became evident that the dollar must be controlled. There was no machinery for full control and, as indicated by Governor Black in his testimony before the Senate Committee on the Gold Reserve Act, the legislation was not adequate to permit revaluation.

There was no money for complete control of the dollar, but by the use of limited funds a partial control was exercised by the RFC. Of course, no one expected that full control could be exercised until all gold offered could be purchased. The Gold Reserve Act made it possible to buy all gold offered, and within a few days after it was signed the price was effective, when allowance was made for costs and risks in shipment. The indication of policy, coupled with the limited purchases which the RFC was able to make, definitely stopped the fall in the price of gold. On October 21 the price was $29.01 per fine ounce. The price soon became much steadier than before the policy was announced and after November 1 the price based on London only rarely dropped below $32.

During the 30 business days preceding the announcement of the gold policy on October 22, the price of gold based on London quotations for gold and closing New York exchange rates on London was $31.08 per ounce. The official price is now set at $35.00 or an increase of 13 per cent. The price for the month of January averaged $32.87. The increase on February 1 was therefore six per cent. The present price is 69 per cent above the old price of $20.67. Most of the increase occurred before the policy of control was inaugurated and, as would be expected, most of the increase in commodity prices occurred when the price of gold rose, previous to October.

The law now permits the gold content of the dollar to be decreased

from 40 to 50 per cent, or it permits the price of gold to be placed at any point from $34.45 to $41.34. Since the present price is $35.00 it is legally possible to make an 18 per cent increase. England has increased the price slightly less than the United States, but most of the countries that are off the gold standard have increased it more.

It is not the purpose of this paper to advocate any one procedure, but to present some of the facts of the situation in the hope that they will aid in discussions, and in the further hope that out of the discussions will come some permanent improvements in our monetary system. A few of the various proposals are here listed.

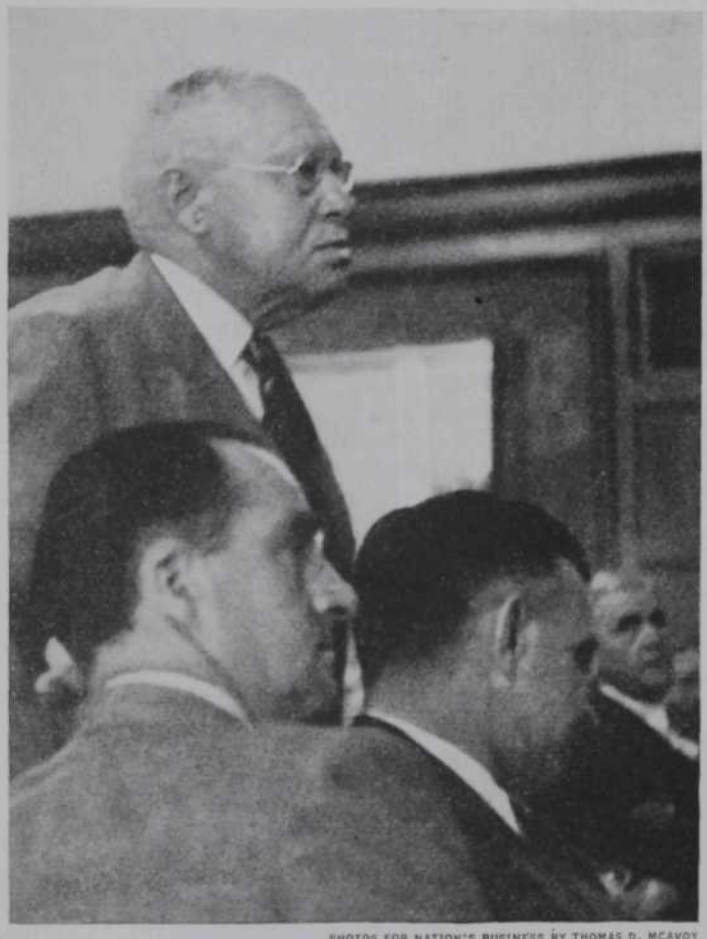
Some persons still believe that we should return to the old gold standard at the old price of gold. This would mean an attempt to go back to the deflation which we and 33 other countries found impossible.

Other persons believe that we should return to the old form of gold standard, but not at the old price. Some of these think that the price is relatively unimportant. All of this group agree in the idea that some definite permanent price for gold is vital. Any absolute tie to a given price for gold is practically certain to result in extremely erratic price fluctuations. England made one mistake in returning to the gold standard. Although she has been off the gold standard much longer than we have, she does not seem to be inclined to make any definite tie to gold until she is certain that gold will be much less erratic than it has been for the past 20 years. Even if the old type of gold standard is to be reestablished, it would be dangerous to do it before the world value of gold is more settled.

Some persons prefer to make small modifications in the gold standard such as discontinuance of coinage and the sale of gold in large bars only with such restrictions as to make hoarding difficult. Even the perfectly free movement of gold in bullion form from one country to another has been working in a very abnormal way during the past 20 years. If in any country there is danger of leaving the gold standard or of war, there is a tendency to dump the gold into other countries and later to withdraw it. There is also a tendency to invest in

Regulating Communications Companies

HAVING considered every business interest, beginning with bankers and coming on to brokers and exchanges, Congress got around to communications. While representatives of the telephone, telegraph and radio industries were discussing a code (pictures at the left) the lawmakers argued over measures which varied from the Dill bill which President Gifford of the American Telephone & Telegraph Company, described as "a regime of public management of private property," to the milder Reyburn bill in the House. The net was a compromise *but*—more regulation, and another commission, a commission which, if it runs true to form, will grow and spread and seek more authority.



PHOTOS FOR NATION'S BUSINESS BY THOMAS D. MCAVOY

J. C. Welliver, Western Union vice president, speaks vigorously from the floor at the hearing called to consider a code for wired and wireless communication



Howard L. Kern of the Mackay System jots down a few notes as he listens to witnesses discuss the code

securities of one country after another and dump them at the first sign of trouble. One must be very optimistic to hope that all this chaotic situation is now ended. Provisions for control of the movement of gold either within or without a country whenever necessary are required if such flights are to be kept within reason.

Another proposal is that the gold be kept in central banks and that permanent machinery be established for making changes in the price of gold whenever necessary in order to provide reasonable stability in the average level of prices of basic commodities. There are, of course, a number of ways in which this could be done. The aim is to get away from the difficulty of having a single commodity as the yardstick of value. When one commodity is used as a measure of value, the measure itself fluctuates whenever the supply of that commodity or the demand for it changes. How well and how badly such a single commodity dollar has served as a measure of value is indicated by the price history of the past 50 years.

Some persons would do away with gold and substitute a managed paper currency. Whenever the gold standard breaks down a paper currency is used. Of course, this does not give such a currency a fair trial. On the other hand, the paper currencies under such a situation are sometimes restrained by the previous and probable future gold standard. England has been off gold for 38 of the last 138 years. She has never had wild inflation. The United States went through the Civil War with a paper currency and had less inflation than occurred during the World War on a gold basis. While there is no question that a paper currency could be operated with success if intelligently used, there is much doubt as to whether we have the knowledge and courage to operate it successfully. In any event, gold and silver reserves are of value for war and other emergencies.

Many persons are interested in the monetary use of silver. One of the proposals is to buy silver. This would provide silver reserves for military and other uses, but would, of course, have nothing to do with the standard of value, since gold would remain the yardstick of value.

Another proposal is that gold be the measure of value and that silver at its gold value be counted as part of the reserve. The only way that this could have an influence on commodity prices would be through a world-wide influence on the value of gold. The silver would not be as effective as an equal value of gold because there would always be danger that silver might fall in value relative to gold, so that a given weight of the two metals might shrink in gold value, or the reserves would fluctuate in gold value although preserved intact. The adoption of such a procedure by a single country would have a very small monetary influence because gold still remains the measure of value.

There are two definite proposals for using silver as a measure of value, symmetallism and bimetallism. Symmetallism would make the dollar contain a certain number of grains of gold plus a certain number of grains of silver. This would be making a two-commodity dollar rather than a one-commodity dollar. Bimetallism allows payment in the alternative of two commodities.

Our modern society based on individual enterprise is so full of inflexible charges that it cannot function when the buying power of money doubles. An increasing number of services are performed by the Government so that taxes cannot be cut readily. Industry's method of weathering a storm is to close down and throw the burden on the unemployed; but the unemployed no longer starve cheerfully and we have ceased to believe that they should starve in the midst of plenty. Therefore, they are fed at public expense and public debts and taxes inevitably rise just at the time when debts and taxes are hardest to pay.

Some prices lag

BANKS, railroads, farmers, and homeowners call on the Government to take over their debts so that debts which we individually are unable to pay are shifted to us collectively. Many manufacturing industries are so organized that price declines are successfully resisted for a long time. Just as the manufacturer resists cutting prices because he may have difficulty in raising them, so organized labor resists cutting wages. Public utilities occupy a growing place in our economy. Their charges are based on the theory of fair return on the investment. This theory breaks down when prices collapse, but it is a long time before rates are lowered. Producers of farm products and other raw materials are less able to resist collapse. The growth in the number of inflexible charges steadily throws a greater burden on flexible charges during periods of deflation. The world is witnessing a severe strain on the democratic form of government and the individual form of society. This breakdown is the direct result of the inability of such a society to stand deflation.

This situation cannot be cured by a return to the old form of unregulated gold standard. If the present form of society is to function successfully, some method must be developed for establishing a measure of value that will have reasonable stability. There is, of course, danger that monetary changes may not be perfect. These risks must be balanced against the known chaos which we have experienced under a one-commodity dollar. The money question cannot be cured by hiding our heads in the sands of the past. It requires open-minded discussion.

Owed to the Boss

THE poets foregather and work up a lather
Proclaiming the glory of toil;
From Bagdad to Dallas the thumb with a callus
Is lauded as honest and loyal.
A chorus colossal cheers labor's apostle,
They've gotten his story across.
But, 'midst this hey-heying, no laureate's braying
A gladsome refrain for the boss.

Though laboring peoples build bridges and steeples
And tunnels and engines that throb,
They'd sit on their breeches exhuming no ditches
If nobody paid for the job.
To start operation of mill or plantation
Somebody must hazard a loss—
And when they have tried it, if fortune's denied it,
The man on the spot is the boss.

As boss, he engages to pay rent and wages.
Insurance, flax, tacks, wax and sacks
Are things he must purchase; he fosters researches.
And antes a plenty for tax.
With profits appearing, folks cry "profiteering,"
He's "dumb" if the venture goes bust.
He's viewed with derision for sharp competition;
But, if he combines, he's a trust.

He buys our utensils from handsaws to stencils,
Pays upkeep on tools and machines;
And still, when we judge him, we always begrudge him
The dollar he keeps in his jeans.
The artisan's feted for what he created,
He's earned every huzzah and sob,
With that I've no quarrel, but let's save a laurel
For him who created the job.

—PAUL MCCREA



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AUDITORIUM CONDITIONING CORPORATION

New York Office:

17 East 42nd St. New York

How Is the Small Man Getting Along?

(Continued from page 24)

we'd call in a printer from out of town. Now, to keep the work at home and keep as much cash as possible within our group, we plan to work longer hours and get it out, somehow, with the men we have.

"That's the way we have to work to meet competition from which the NRA does not intend to protect us—competition that is 'rural' while our plant is 'urban' . . . all in the same farming region! To comply with the code we'd have to cut the hours of our workmen and either do the work ourselves or hire at least one more man. To do the latter—and we can't do the former—we'd have to cut the wages actually paid out to those now employed. We'd put the thing on a 'bookkeeping' basis—and all go broke together! Leave us alone and we'll pull through, solvent and every man with a job!"

X

YOU step off the Limited just in time to walk across the square and sit down to one of those breakfasts that warm you for the work of the day—a simple 50 cent meal. Mine host has been serving these breakfasts to hungry travelers for more years than I care to remember.

Always there went with it, not especially as an inducement to lure the unwary into his clutches but as a genuine expression of old-time hospitality, the second cup of coffee. It was not forced upon you. But if you asked for it, it was poured with the same graciousness that your hostess performs that ceremony when you are a welcome and an honored guest.

And now it embarrasses mine host, who is not a great restaurateur but nevertheless a good one, to be obliged to explain to his friends that it is against the code to perform that simple act of hospitality!

It seems to depend upon where you are: At your hostess' table a second cup is an unspoken tribute to her skill—to your friendship.

Down town, with similar feelings current, it is a crime!

XI

DEEP in one of the valleys of Pennsylvania lies a farm that has been, for seven or more generations, in one family. Over the cleared-away breakfast table we talked, the old man and I, of the past and the present and the future of farming. It was a good business, he asserted, in his father's day. They had grown wealthy then. They had built big barns, and the pastures fed large-uddered herds of dairy cows. Then came the sanitary regulations intended to assure pure milk to the cities. They meant for his father heavy outlay in the form of dairy equipment thought necessary to health by those who set the rules.

Other farmers had to obey the same rules. But they cost heavily. Perhaps the milk *was* better. That was the first hand of Government clamping down.

Father passed on and Son, himself, took over the business.

The rules increased. The costs of milk production increased. The refrigerated milk car, the huge auto-truck came into the picture. The Government had stepped in. The state had stepped in. Huge combinations of capital on the one hand and of producers on the other had grown up.

Everybody was telling him how to run his business—telling his son, rather, for now it was a clean-jowled college graduate, a trained-in-the-business dairyman, who was at the helm. The son came into the room:

"We have made money on this farm. But with Government telling us how to run a business three generations of us have worked at—*I . . . don't . . . know!*"

XII

FAR-HIDDEN in one of the broad wheat-valleys of the Mid-West lies Joe's farm of 1,900 acres of well managed wheat land. In the center of that farm is Joe's house, looking the worse for wind-wear, and his barns, and his farm machinery.

In the house live Joe and his wife and their children—all of them college-trained people, alive to the beauty of life. Joe, you are telling yourself, must be a lucky man . . . and he is, at that!

It was a matter of a pair of shoes—or, rather, the lack of them. Thanksgiving dinner had been cleared away. The young folks were gone. Joe and Nettie and I sat threshing over old days and new problems.

"Nettie," I said, "come with me tomorrow and drive down to your brother's. It will do you good to get away for a week, and let the young people handle the house while you are gone."

Her face lighted up for an instant, then clouded over. There were reasons—good reasons that I knew did not reach the core of the matter—why she could not go. Joe and I took the milk pails and started out to the

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They mean that, in recommended services, you can install Genuine Puddled Wrought Iron Pipe with the certainty that *no other* pipe will last so long or serve so faithfully.

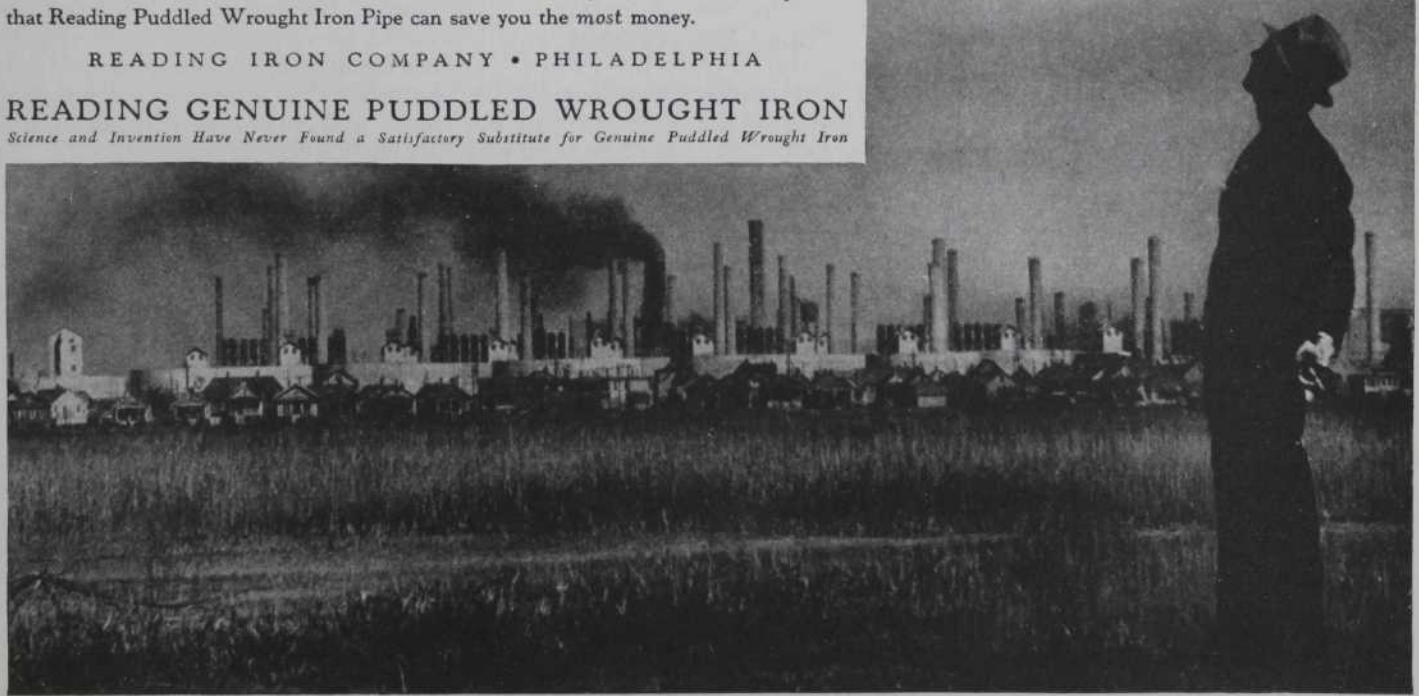
They mean that in these uses Reading Pipe gives lasting freedom from repairs and replacements—lowest cost per year of pipe service, the only cost that counts if you are looking for real pipe economy.

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W. Y. Shugart, Secretary of W. B. Davis & Son, Inc., Ft. Payne, Alabama, and two Iron Fireman burners in the Davis boiler room.

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Mr. Shugart says: "With Iron Fireman firing we have cut our fuel costs 40%. . . . Smoke nuisance has been eliminated. . . . Steady, even heat and power have been provided at all times. . . . We are frank to say that Iron Fireman equipment is the largest dividend paying investment we have made in many a season."

In thousands of heating and power plants this record of Iron Fireman performance is duplicated year after year. In thousands of *other* plants, where management is seeking a way to improve efficiency and cut costs, Iron Fireman can achieve similar results. Your Iron Fireman dealer will be glad to make a free engineering survey of your plant and give you the facts. Iron Fireman can be quickly installed and purchase may be made on a monthly payment plan. Models for homes and for commercial heating or power boilers up to 300 h. p. Iron Fireman Manufacturing Company, Portland, Oregon; Cleveland; Toronto. Dealers everywhere.

See the Iron Fireman exhibit, Home Planning Hall, Century of Progress, Chicago.

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barn where ten cows drafted from the beef herd were doing their somewhat poor best to pinch-hit as dairy animals.

"It's the shoes," Joe said, as we each picked out a cow and started milking. "She hasn't a pair of shoes."

And with that he stopped. But I had to blunder out: "Well, that can be fixed!"

No reply. We kept on milking.

When we got through he faced me: "Hugh, you don't quite understand. We haven't had a crop for three years. If it were *two* years, and we'd had a crop this year, things would be fine. But there just wasn't any. We banked on that. You can always bank on at least one paying crop in three years to pull you through with an average of enough to pay expenses and something over, but since the smash in prices after the War we haven't been making the average. Either crops have been poor or prices low. Lately it's been both. So you see we've got to where the cows are feeding us—" he smiled grimly—"or we don't get fed."

I began to understand. It was cash on the nail, over at the store. And ten cows selected out of a pretty good beef herd do not provide much cash—not with butter-fat prices hanging around 20 cents a pound.

"It would do Nettie a world of good to see her folks," Joe went on. "Since she's been sick, life has been pretty monotonous for her."

He considered, and threw aside the self-suggestion:

"I suppose I could drive down to Aberdeen and get her a pair—but that would cost more in gas than the difference in price. . . . You wonder why I don't go over and get a pair here. Everything is so high we just can't afford it. . . ."

No credit available

THE next morning, without Nettie, I turned into the long trail to the south. And on the road I stopped and had a heart-to-heart talk with Joe's grocer. I was sore, and this was blunt man-to-man speech:

"Joe's as good as they come," he told me, as we stood face to face in the cluttered little office in the rear. "If I were giving credit anywhere, Joe could have it. But I'm not. I've spread my capital all over this section. I've got three-four times as much on the books as on the shelves, and I'm down to where if I don't get cash with the order I can't restock. I'm on a cash-and-carry buying basis myself."

I looked doubtful.

"It's been spot cash for me for over a year, and now"—this was late in 1933—"things are especially tough. Prices are going up and with my working capital down to what's on the shelves I'm in a jam, let me tell you!"

"Just in what way?" I inquired.

"If collections were even fair, I could go out and get the money and meet the advancing prices. But Joe and the rest of the farmers just haven't got it. When they have, I'll get mine. But that doesn't help now. I've got to mark up the stock on hand to meet the new price level, and when I do that a lot of the farmers think I'm a thief and a robber. Somehow they get five gallons of gas and go to one of the big towns where prices still are not so high—where the merchants have still got some spare cash with which to renew stocks. They are taking advantage of this situation to wipe us little fellows off the map!"

I walked down the little store, with its humble stock of goods. Cotton husking gloves, once ten cents a pair, had doubled in price. Overalls were up in like proportion. Flour had jumped. Shoes—I looked at a meager assortment of shoes—had hit a new high.

Prices go too high

THIS was no time to be gentle.

"Perhaps I don't doubt your word . . . but let me see the proof for it."

Out came the proofs . . . statements . . . bills of lading . . . letters of warning of price-hoistings . . . a mass of correspondence all pitched in one key: "Prices *are* up, and you are it!"

What, I ask you, was the little merchant in the little town to do? His assets "frozen" through no fault of his own, and code piled on code bearing down on him like an avalanche! He was doing just what you would do—was trying to survive for the moment by marking up his goods, knowing that this might drive trade away and leave him with nothing at all but his frozen assets.

I didn't pick this rather extreme case to show what NRA is doing to the little country merchant and to the farmer. It rose up out of the beautiful Dakota prairies and hit me square in the jaw.

Talk about NRA not reaching out to and applying to the rural districts! Bunk! It is there that it is smashing down with crushing weight, hitting merchant and farmer alike. Eating up the farmer's AAA profits, if any there be, before he has even sighted them! Handicapping the small merchant who has been so thoughtless as to get his assets into the form of open accounts—once considered about "as good as gold."

Perhaps, after all, the little fellow

shouldn't be allowed to exist—but he has his own opinions about that! Farmer or storekeeper or truck grower or newspaper man or just plain stevedore or tinner trying to stop the leak in your roof—he flies off the handle if you mention that he is not absolutely necessary in the scheme of things.

Unfortunately it does seem that the NRA is working toward his elimination, not consciously, but with the easy nonchalance of the fat lady who steps on a small boy's foot and wonders where the howls are coming from.

And amid the howls there is one very uniform protest weighted with a wisdom that it may be well for us to mull over and digest:

"If you wipe out us little fellows, where are you going to get your consumers?"

At first blush the answer seems easy. . . . But think it over a bit. . . .

This is still a nation of little businesses that, to keep going during these difficult times, have been splitting the pay roll Saturday nights so that Bill and Ed and Jack and their families could all keep going. They grow in the rich soil of American democracy—of that feeling of independence out of which comes the leadership born of the rank-and-file—and they are as essential to recovery and future growth as the very soil itself.

The bill must be paid

ONE may easily gather the impression that we are becoming a nation of "Gimme's"—but the little fellow, whether on the farm or in the store or the shop, quickly dispels that illusion.

He is not asking for help. He may accept it but only with the jesting remark heard in a Nebraska court room as a couple of hundred farmers waited for their wheat reduction checks:

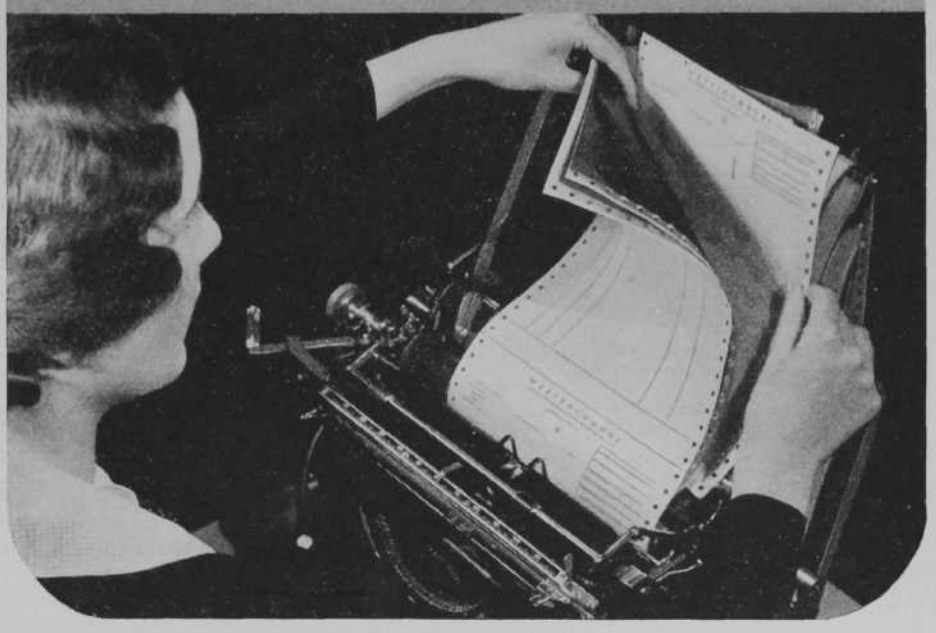
"Santa came once. Why not again?"

Every farmer there, desperate in his present need, knew who must ultimately pay the piper! So the checks were cashed—as an advance on the future harvest and taxpaying power of the prairies! Not as a handout!

The farmer and the little fellow in business are realists. They know that this nation is still on its way. They know that it has an up-hill pull before it.

Doggedly, persistently, with some grumblings and mutterings that belie their real purpose, they keep trudging along, their faces gray with the dust of the road, their shoulders to the wheel.

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For example: The Westinghouse Electric & Manufacturing Company ordinarily sends two copies of invoices; but some customers want more than two. A number of copies for internal use are also required. By using Kant-Slip forms and the Registrator platen, it is easy to insert additional copies.

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THE STANDARD REGISTER COMPANY
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We, the People

(Continued from page 18)

John Hay's somewhat irreverent comment upon the glories of the fair's predecessor 40 years ago; "it beats the brag so far out of sight that even Chicago is dumb."

An older Chicago no longer feels any need for bragging, perhaps, but once more has the brag been beaten. More than 22,000,000 people passed through the turnstiles. The fair set a new fashion in instructive exhibits. It was memorable for its gayety, its cleanliness and order, the smartness of its attendants, the cheerfulness of its atmosphere fresh off Lake Michigan.

"It was a great splash of color, authentic, modern American color, upon a background of times in which grays were too predominating."

Sport has had its practitioners and its partisans no less loyal for all the reefs taken in purse strings. True, attendance at World Series baseball games dwindled from 190,490 in 1929 to 164,076 in 1933, with the "gate" declining from $859,484 to $679,365, though 1930 and 1931 showed higher totals for each item than did either 1929 or 1933. Intercollegiate football continued to magnetize "Saturday's Millions," and the 500-mile sweepstakes at the Indianapolis motor speedway consistently drew more than 100,000 spectators.

The largest crowd since 1928 packed Churchill Downs this year to see the odds-on favorite Cavalcade win the Kentucky Derby. The millions who regularly make use of recreation centers, golf courses, bathing pools, playgrounds and sand lot baseball fields constitute a lively qualification of any idea that revolution is in the minds of the American people.

Changes in the theater

THE years of depression have turned the theater and the films to the manners and customs of a less tempestuous age. "Uncle Tom's Cabin" was revived in New York last year, more than 30 years after its last notable presentation with Wilton Lackaye as Uncle Tom, Theodore Roberts as the detestable Legree, and Maude Raymond in the rôle of Topsy.

Up at the American Music Hall in East Fifty-fifth Street, this spring, audiences were whooping and hissing at a representation of "The Drunkard," while absorbing quantities of beer in the atmosphere of a converted church. A group of recognized professional enterpreneurs was renovating the ancient premises of Miner's Theater in the Bowery, where they planned to stage a revival of "The Black Crook," and up in New Haven the Elihu Yale Players were rehearsing such old favorites as "Ten Nights in a Barroom," "Pure as Driven Snow" and "Nellie, the Beautiful Cloak Model" for the edification of Broadway.

From the reports available from the 140-odd summer theaters said to have been operating this side of the Mississippi it would seem that, for those which can be described as successful, their success is mostly to be measured in terms of personal satisfaction and acting engagements rather than of truly significant discovery.

With a gross of $5,000 a week reported for one small community, there is evidence of summer money along the supposedly dead and insolvent "road." Attuned by necessity to modest productions, salaries and box-office tariffs, although very few have essayed the old ten, 20, 30 scale of prices, producers are discovering a widespread approval and appreciation of drama of the most professional but not too pretentious variety.

The films have turned to the gay and lamented '90's for the atmosphere of such a number of recent screen dramas as almost to constitute a trend.

A single season has witnessed the showing on Broadway of "She Done Him Wrong," "Sweepings," "Cavalcade," "Frisco Jenny," "Back Street," and "Jennie Gerhardt." By and large, the "movies" have done handsomely by the livery-stable era since they decided to take it seriously. A bedeviled public finds a welcome respite in contemplating pictures of an age of horse-cars and individual shaving mugs, mustache cups and soup tureens on the table.

As for art, Frederic Allen Whiting, president of the American Federation of Arts, declared that "the art market is more stable than the stock market." Commenting on the millions of dollars which have changed hands at public and private sales, he said "It is significant that in times like the present millions are available for the purchase of works of art. The sales are equally significant from the investment point of view. Works of art sold at auction represent two things: the liquidation of estates, and the turnover of collectors' stocks accumulated for this profitable market. Purchases to a certain extent represent the acquisition of furnishings and ornaments for new residences and for old ones that are still growing in the magnificence of their appointments. Purchases also represent the growth in public and private collections and the investment in works of art from a purely investment point of view by private persons as well as by dealers who expect to realize a reasonably quick profit."

Symphony orchestras continue

COINCIDENTALLY with the announcement that the New York Philharmonic-Symphony Society has raised almost all of the required $500,000 to cover the expected deficits for the next three years and the report from Boston that a single individual has contributed $102,000 to cover this year's deficit of the Boston Symphony Orchestra, comes word from Philadelphia that the Philadelphia Orchestra is planning an even more enterprising season next year, including operas as well as additional concerts.

Despite the fact that these great orchestras not only fail to be self-supporting but have to depend in large measure on a small group of wealthy people to make up their deficits, there is no doubt of the growing interest in music throughout the country—due in no small part to the excellence of the concerts, especially when under the leadership of the four great conductors, Koussevitsky, Toscanini, Bruno Walter and Stokowski.

The concerts of these three great orchestras have come to be part of the routine of millions of listeners throughout the country. So long as such a musical education is available for those who have radios and are willing to turn the dial there is no cause to feel despondent about the musical development of the American people.

Observers of student customs and habits of recent years profess to be optimistic about the current availability of good beer for undergraduates. It will tend with time, they say, to supplement, and perhaps entirely to suppress, bad gin and dubious whiskey, renew the appeal of college towns over week-ends hitherto dedicated to more urban divertissements, revitalize club life and traditional campus associations, and bring reasonable song and potations, always the privilege of academic youth, out from under the rose and juniper bush, where for more than a decade they have flourished.

Spring was ushered in this year

(Continued on page 67)



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You Have to RIDE 2 HORSES

BUSINESS and GOVERNMENT are teamed up. In the June issue of *Nation's Business*, Willard M. Kiplinger, Washington observer, wrote:

"... what I have to say is said not merely of Washington, and not merely of business problems, but of the relations between the two. It's like riding two horses. This is exactly what you've got to do all the time. You can't sit astride of your business horse and ignore the Washington horse, and you can't get along merely by cussing the prancing Washington horse. You must understand them both and ride them both, without falling off."

RIDE YOU MUST! Your success rests in knowing where each horse is going—and why. You will find help each month in *Nation's Business*. It, alone, charts the course of business and government, and interprets their relations to each other. This has been its principal editorial job for twenty years. As government activities affecting business increase, *Nation's Business* multiplies its power and influence in the same measure.

Naturally, recognition and acceptance increase, too. Since the New Deal began to make itself felt, a year ago, business men have bought subscriptions costing $502,512. A half million, cash in advance, because *Nation's Business* gives them help they must have—information they cannot get elsewhere!

Advertisers have been quick to take advantage of this increasingly potent force. This July issue is the twelfth to gain in advertising linage over the corresponding issue of the previous year.

Successful advertisers are those who ride every favorable tide.

Nation's Business now offers such an opportunity.

NATION'S BUSINESS • Washington

E. V. THOMPSON
Director of Advertising

850 Graybar Building
NEW YORK

(Continued from page 64)

upon roller skates. That humble vehicle at any rate for weeks decorated the efforts of department store advertising. Other springs, other harbingers. "The Eugenie hat—a gallant but meretricious symbol of courage in adversity—or with Tom Thumb golf courses—nightmarish reflection of a general lunacy under disaster—or with backgammon boards, which to those not devotees of the game always seemed like a final resignation to dumb despair."

The deeper causes of the human sideshow do not change, but its depression manifestations are diverse and without end. Exhibit A—the owner of a "hot dog" stand in New Jersey put on a pair of silk pajamas, had himself lowered into a steel coffin by volunteer firemen while an orchestra played Taps, and expected to stay underground for six weeks.

Want fewer theories

TO A society buffeted about by economic forces to a condition of violent flux almost any theory is a promising one. We all should like to see in our troubled affairs a greater degree of certainty and less left to the wild winds of chance. Yet, to the bewildered layman the ominous and recurrent cycle of business depressions has seemed to be almost the only phenomenon that might be reduced to something approaching a formula. In spite of all the current vogue for statistics, numerical and graphic, visibility in the economic atmosphere continues to be very low.

That durable philosopher, Don Marquis, tells his countrymen that he has seen the country Ruined, and has seen the country Saved, at least 95 times in the past 40 years—and by the strangest things. He remembers the days when the participation of women in bicycle races Ruined the country. Then the Spanish War and Bill Bryan came along and Saved the country. Horseless Carriages Ruined it again. Female Suffrage agitation Saved it, Ruined it, and Saved it again.

One Piece Bathing Suits, Hook Worm, the Federal Income Tax, Sun Spots, Birth Control, Mark Hanna, Theodore Roosevelt, Swizzle Sticks, Monkey Glands, Moving Pictures, Wall Street, Fallen Arches, Starchy Diet, Burlesque Strip Acts, Daylight Saving, Cigarette Smoking by Women plunged it into the nether gloom of irrevocable Ruin; from which it was Saved once more by the discovery that every farmer may have his own canning outfit and preserve his own produce, and by William James' popularization of Pragmatism.

Despite all the dire prophesying, grass did not grow in city streets, but beards grew lush and tough enough to stimulate interest in barbering careers. As Professor Al Krinick, president of the Central Barber College, New York, told members of the spring graduating class:

"You are ready now to go out in the world and get jobs, or open your own shops. And don't let me hear any of you talk depression talk! Just remember this, that hair grows all the time, even when a man is asleep it grows—it grows as hard during a depression as during good times. Remember that!"

It is probably true that "we do not know enough to understand our own history or to predict our own future." The fact that the country has survived 20 severe depressions since 1790 is, of course, susceptible of various interpretations. For one thing, it makes life on the American plan appear a progress by blundering rather than by purpose, a triumph of planlessness rather than of planning.

Certainly it would be interesting to summarize and bring into perspective all the estimates of the country's position and prospects which the people made upon each of the 157 Fourths of July that have marked the nation's increasing years and experience. If the distraught citizen could take each of these national birthdays in its natural sequence and ponder the temper and state of mind of the American people which each Independence Day reflected, he would be in no doubt about the indestructibility of the American spirit.

A practical viewpoint

IT WAS in the reflected light of their deeds that Francis Amasa Walker, president of Massachusetts Institute of Technology in the '80's, wrote his judgment of the American people. Said he:

Our people have a singular practical wisdom, which takes the sting out of misfortune; which makes a bad law a dead letter, almost from its enactment; which discounts the future, accepts the inevitable and compromises with the coming evil; which charges off bad debts without a grimace, and, like the Chicago merchant after the great fire, spits upon the ruins to see if it is yet cool enough to begin rebuilding.

Every one who has lived through the strain and turmoil of the depression years knows that the complicated modern world is a difficult adventure. A nation still so young that its people are hard put for old traditions can find a heartening satisfaction in the knowledge that it is demonstrating to the world that it has grown in poise, in self-command, and in the ability to distinguish the things that matter.

Cut cost of using forms $7.00 per thousand

• In the final analysis the cost of using multiple forms includes more than the price of paper and printing. To this must be added the needless cost of interleaving and removing carbons which is $7.00 per thousand sets of six part forms, based upon a $20.00-a-week stenographer.

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• Even more interesting is the fact that the saving in using the first thousand sets of forms will practically pay for the Speed-Feed. Mail the coupon, without obligation, for convincing demonstration in your own office.

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What Bankers and Investors Discuss

A FAVORITE brokers' story is of the man who sold $5,000 Liberties to a woman client and divided between fear of the Securities Act and duty to his client, wrote her:

"Dear Madam:

"Acting solely upon your request and without any solicitation upon my part, I have this day purchased for you $5,000 Liberties, have placed the same with your other securities and have charged your account.

"I beg to repeat that this sale was without any solicitation or representation on my part. I feel, however, a duty to notify you that the obligor is not earning his interest."

A cynical banker to whom this mild jest was repeated added:

"Yes, and he might have told his client that one clause in the contract, the agreement to pay in gold, had already been repudiated."

Johnson Act complications

THE Johnson Act, "to prohibit financial transactions with any foreign government in default on its obligations to the United States," was brief, not much more than 200 words long, but it has already called for a lot of interpretations as well as bringing to the fore again the whole question of the interference of the Government in loans abroad.

As to the first, one very large New York bank was gravely advised by counsel that it might be liable to a fine or an executive officer might be sent to jail, if the bank bought an ordinary bankers' acceptance from J. P. Morgan & Co. since the latter was agent in this country for the British and French Governments. Washington as gravely said that that was not what the bill meant.

Then banks wanted interpretation as to whether they could, under the letter of the Act, cash drafts drawn by the British, French and other consuls on the treasuries of their respective governments. More solemn thinking, and it was decided that the drafts could be cashed. Trivial perhaps, but interesting as showing problems that may arise under the best drawn bill.

Politics and foreign loans

BUT the real opposition in the banking fraternity to the Johnson bill is to the possibility it suggests of our using foreign loans as pieces in the political chess game. The French loans to Russia of prewar days are cited as an example of what we should avoid and what the Johnson bill might foreshadow. Loans to cement an alliance, to drive a wedge into another alliance, are full of dangerous possibilities; perhaps the refusal of private loans as a means of collecting existing public debts may be equally dangerous.

What constitutes a deposit?

If seven firms with seven briefs
Should think for half a year
Do you suppose, the Broker said,
That they could make it clear?

(With apologies to the Walrus and the Carpenter)

"SEVEN of the largest law firms in the financial district," to quote the New York *Times,* have been struggling for weeks or months to tell brokers and investment bankers what deposits are under Section 21 of the Banking Act of 1933. Section 21 says that firms dealing in securities may not engage "in receiving deposits subject to check or to repayment upon presentation of a passbook, certificate of deposit or other evidence of debt or upon request of the depositor."

The gist of opinion of the seven wise men seemed to be that if the broker or investment banker as agent or trustee puts his customers' funds in a special account in a bank qualified to accept deposits and those funds are not available for use by the broker or investment banker, in his general business, the transaction does not involve a deposit.

Anyway, the seven eminent firms have been consulting for six months and have produced a 14-page opinion along this general line which the brokers and investment bankers may now tackle.

The decision may complicate the already complicated life of a broker. How many agent or trustee accounts must a successful brokerage house carry?

Interpretations ad inf.

IF the Banking Act of 1933 is still being interpreted, how long will it be before the Exchange Regulation Act with its alterations of the Securities Act is understood? Some weeks, perhaps months. Meanwhile, the brokers and the investment bankers and the commercial bankers as well are wondering what shape and form their businesses will take in the next year or two or five.

There is a measure of gratification that the exchanges are to be regulated (or controlled) by an independent body and not by the Federal Trade Commission. It is felt that such a body as the Act proposes may start fresh and may number among its members some with a well-grounded understanding of stock exchanges and their place in the business world.

Failure of regulation

"IS there anything whereof it may be said, See, this is new?" asked the Preacher more than twenty centuries ago. Certainly "this is new" cannot be said of stock and commodity regulation.

Germany tried it about 40 years ago under circumstances closely parallel to what has been going on in the United States.

J. Edward Meeker, Economist of the New York Stock Exchange, tells the story in a pamphlet called "German Regulation of Stock Exchanges 1896-1908."

Here is the background:

> The marked prosperity of Germany in the latter part of the '80's, following the international crisis of 1873, provided a great incentive to speculative activities. The latter in turn brought with them abuses and irregularities on the part of many banking institutions. Gradually these abuses produced a climax. In 1888 there was a speculative corner in coffee at Hamburg; in 1889 there occurred a sensational break in sugar; and in 1891 a spectacular decline in grain prices occurred on the Berlin Boerse, which conducted dealings in commodities as well as in securities.
>
> In the fall of 1891 a new depression seemed imminent. The sharp speculative declines brought forth wide protests from speculators who had suffered from them financially. In addition, several Berlin banks failed, owing to their misuse of deposits in speculation.

Sounds familiar?

Followed an Exchange Inquiry Commission and legislation designed to prevent: "(1) the manipulation of commodity prices against the interests of producer and consumer alike; (2) the manipulation of security prices and the alleged influence of the

Set yourself free

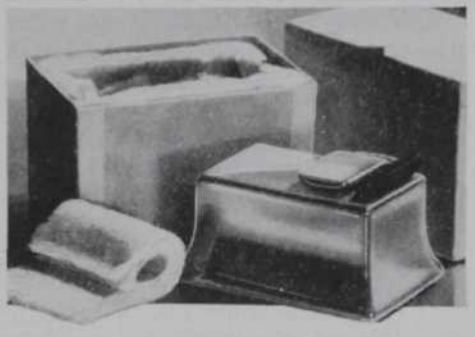
AFTER several years of hardship this nation is co-operating in the task of freeing itself from economic ills.

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Let us show you how you can accomplish this with life insurance.

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Stock Exchange upon industrial enterprises; and (3) speculation by inexperienced persons of small means, who almost always lost money in the end."

Again it sounds familiar.

The law forbade dealings on credit in grain and flour; and in certain classes of shares, principally mining and industrial.

It required anyone engaged upon speculative transactions on the Exchange to register his name for public inspection.

What happened?

It didn't stop speculation. Dealing in securities became over the counter, with a few great banks dominating the business, trading in stocks moved across the German border to Holland and Great Britain.

"Dishonest men would put in orders to buy and to sell the same security at the same price and then repudiate the order which showed a loss, by declaring that they had not registered and in consequence it was void."

As for the agrarians who had protested "gambling" in grain, they found that there was no control price for their grain. So the Government set up price bureaus but these represented only local and completed transactions.

"It was found that the elimination of short-selling in grain, as far as its effects could be determined statistically, was to lower grain prices and render them less stable."

The end was the repeal of the legislation after it had done great harm to German farming and German business.

We, too, may learn in the School of Fools.

Has the Securities Act succeeded?

A PURPOSE of the Securities Act was to guard the innocent and ignorant investor.

How has it worked? Recently the National Better Business Bureau issued a warning to those who would buy gold-mining stocks and suggested certain questions the investor-to-be should ask.

One of the questions to be asked was *not*: Has the company issuing the stock filed a registration statement with the Federal Trade Commission? The Bureau did point out that since the Securities Act of 1933 came into effect more than 150 gold mining companies had filed statements with the intention of soliciting about $60,000,000 of capital.

Share sales in Canada

BROKERS on the New York Stock Exchange felt that the bottom of the world had pretty nearly dropped out when on a Saturday in late May the number of shares traded in on one Canadian exchange was greater than the total number traded in on the New York Stock and New York Curb Exchanges together.

However, it was some consolation to remember that much of the trading on the Canadian exchange was in mining stocks and that many of them were in five and ten cent units.

An application

NOW that the banking holiday is long past, the human interest side of the high pressure work done then is leaking out. Eugene R. Black, governor of the Federal Reserve Board and at that time governor of the Atlanta Federal Reserve Bank, tells this one on himself:

"I recall one banker came into my office and I said, 'Tom, what are you going to do about your bank?'

" 'I don't know.'

" 'You have been licensed to open.'

" 'No, I haven't; I haven't even applied for a license.'

"I said, 'you have.'

" 'I haven't.'

" 'I have granted you a license.'

"He said, 'I don't want to open.'

" 'You have got to open. I have granted you the license.'

" 'But I never applied for it.'

"I said, 'Get me that file of letters requiring permits to open.' They brought it to me and I pulled out to his glee the letterhead of his bank and said, 'Here is your application.'

"He said, 'You never read that. That is not an application to reopen my bank. That is an application for a job because I thought I couldn't reopen.' "

Which loans are bad?

ONE of the problems of trying to simplify and explain the Federal budget is to figure what if any of the vast advances made will ever come back.

In other words, what will prove good loans and what will have to be wiped off the books and in the end be paid by the taxpayers. The Reconstruction Finance Corporation is the largest factor in this problem. Up to May 31 of this year it had lent 5¼ billions in the two years and four months of its life.

The much maligned banking industry has been about the leader in paying back loans. Banks and trust companies borrowed about $1,580,000,000 and have already paid back nearly $970,000,000 or about 61 per cent.

Insurance companies have done nearly as well while the railroads have only returned about 15 per cent.

Lessons of Communistic Colonies

(Continued from page 27)

benefits of communism; that if communism were only lifted up it would "draw all men unto" it. No one was compelled to join, or having joined, to remain in any of these communities. Any one could, with the consent of existing members, join and could withdraw even without the consent of the other members. That is why communists in such numbers sought a free country for their experiments.

As a matter of fact, voluntary communistic organizations fitted into our system of law and government exactly as well as voluntary capitalistic organizations. In a free country, coercive communistic organizations could no more be tolerated than coercive capitalistic organizations. Voluntary communistic organizations fit into any system where men are free to band themselves together for the accomplishment of purposes which are not themselves considered criminal when carried on by any organization. In a free country, the form of organization is not important so long as it is voluntary and so long as its purposes are considered honest.

Communities protected by law

WITH one exception, no communistic society ever had any trouble with our laws or institutions. That exception was the Oneida community of New York which, for a time, practised "complex marriage." In this case it was the peculiar marriage custom and not communism as such that shocked the public opinion of the time. With this exception, all the communistic organizations were as carefully protected by our laws as the capitalistic organizations. The one type of organization was not subjected to more severe restrictions than the other.

Most of these experiments have already failed, and the survivors seem doomed to failure. Their failure was not the result of the hostility of the government because the government was not hostile. It was not because they were out of harmony with our laws and institutions, but because they were out of harmony with human nature. They were out of harmony with human nature, not because human nature was depraved or even selfish. Human nature is neither wholly depraved nor wholly selfish, but is a mixture of depravity and beneficence, of selfishness and generosity. Communism is as much out of harmony with the beneficent as with the depraved elements of human na-

LET'S LOOK AT THE RECORD





126,650 more electric customers are served now by the Associated Gas & Electric System than in 1928 . . . ***Rural Extensions*** have improved service in scores of small communities, and in New York alone have contributed to the increase of more than 70,000 customers . . . ***New Construction*** expenditures total $88,677,000 since 1928.

In view of the years of depression this record of service to customers is notable. More needs to be done. But new capital cannot be raised when present investments are threatened by taxation, rate reductions, and restrictive legislation.

The Associated Plan of Rearrangement of Debt Capitalization aims to protect investors who made this record possible.

ASSOCIATED GAS & ELECTRIC SYSTEM 61 Broadway New York

THE FIRST RULE OF HEALTH

—is to have your doctor keep close watch over your general physical condition. If your case requires re-education in the methods of living, diet and relaxation under a group of specialists, consult your physician about the advantages of Battle Creek.



A new booklet, "How To Add Years To Your Life," and the next six issues of "Battle Creek Sanitarium News," devoted to health betterment, will be sent for ten cents, coin or stamps. DEPT. 4344

BATTLE CREEK SANITARIUM
BATTLE CREEK, MICH.

Reprints . . .

of articles appearing in Nation's Business may be obtained in quantities of 100 or more for the cost of printing. Useful for mailing to your customer list, or any others whom you may wish to interest in the subject covered. Write for prices to:

NATION'S BUSINESS
Washington



Two Blocks from White House

A third of our Presidents have inscribed their names on the register of

The **WILLARD HOTEL**
"The Residence of Presidents"
Washington, D. C.
H. P. SOMERVILLE, *Managing Director*

"For the man who cannot be in Washington, Nation's Business is the one authoritative interpreter of what's going on between business and government



MORE BUSINESS *for you* *in* NEW ENGLAND ? WHY NOT ?

LET'S assume you are *not* getting as much business in New England as you think you're entitled to. What can the trouble be? Is it possible that the problem is one of *service?* Other companies have found it so.

Many of these same concerns have also found that the one satisfactory solution to the service problem is *location in the territory.* Some have established branch plants or warehouses; others, sales offices.

In this connection . . . *Boston Wharf* offers you not only the most *central* location in the New England area but also the most desirable from a profit viewpoint. Within a 70-mile radius of the property (a fully-developed industrial site) more than 50% of New England's population is concentrated . . . 4,500,000 people representing *upwards of* $1,250,000,000 *in retail sales annually.* This market, if worth cultivating at all, is worth cultivating intensively.

For further facts concerning Boston Wharf and its relation to New England trade, clip and mail the coupon without obligation.



BOSTON WHARF COMPANY

Industrial Service Department — NBJ

BOSTON WHARF COMPANY, 259 Summer Street, Boston, Mass.

Please send me your 16-page booklet describing the *Boston Wharf* property and its advantages.

*Name*_____ *Position*_____

*Company and Address*_____

When writing to Boston Wharf Company *please mention Nation's Business*

ture, and with the generous as with the selfish elements.

No human being is so depraved as not to have a considerable streak of generosity in his nature. The important fact is that *we all feel more generous toward some people than toward others.* That being the case, we incline to favor those toward whom we feel more generous rather than those toward whom we feel less generous. This differential generosity is what many unanalytical moralists have miscalled selfishness.

If the reader is inclined to doubt the reality or importance of this differential generosity, let him answer the following questions:

1. Do you care for anybody but yourself? If you do, you are to that extent generous—that is, willing to do something for those for whom you care.

2. Do you care equally for everybody, or do you care more for some persons than for others? If you care equally for everybody, and could find a sufficient number like yourself, you and they could live comfortably under voluntary communism. If you care more for some than for others you will, if left to yourself, do more for those for whom you care much than for those for whom you care little or not at all. It will require coercion to make you do otherwise.

Individualism continues

THAT is why coercive communism under a dictatorship is the only kind that can possibly be made to work except in small and carefully selected groups. The moment you leave men free to pay for what they like and to spend their money for the benefit of those for whom they care, communism is dead and that which is called individualism is born.

Under any possible system of voluntarism, men will do precisely those things. Unless coerced by authority, they will try to get what they and their friends like, in preference to what they don't like. That will mean that some things will be in demand and others not. The only alternative is to ration men by authority. Again, men will try to do good to those for whom they care rather than to those for whom they do not care. The only way to prevent that is to conscript workers by authority.

Other apologists try to explain the failure of these communistic experiments by saying that they were handicapped by being small units in a vast area of capitalism. This merely means that the common run of men, if left to themselves, prefer what is called capitalism to communism. When they are free to choose, to join a communistic or a capitalistic group

according to their preference, the great majority will choose capitalism. The small minority which would choose communism can't make it work because they lack practical talent.

It looks as though capitalism had nothing to fear from communism so long as men are free to choose which they like better. Capitalism can have no objection to the trying of communistic experiments so long as both capitalism and communism are voluntary and treated alike by the government. On the other hand, communism has everything to fear from capitalism. It does not dare to let men start capitalistic enterprises in a communistic state. It does not dare offer the same protection to capitalistic enterprises as to communistic enterprises. It must use the strong hand of government to suppress capitalism. In a really free country we can safely give communistic experiments the same protection and the same opportunities as capitalistic experiments. Capitalism can stand competition with communism. Communism can not stand competition with capitalism. That tells an important truth and pretty nearly closes the argument.

Bring Back Romance to Spending!

(Continued from page 40)

Folks are so hungry for it. Its possibilities haven't even been touched, yet. Macy's and Field's—and recently, Mandel Brothers in Chicago—are espousing it gradually.

Even mail-order houses, confined to catalogs for promotion, report "Sales increased tremendously when the human interest touch was introduced into copy."

Without a song, the day of a line of merchandise ends quickly. Its sun sets rapidly. So long as it has a personalized melody of its own to hum, it keeps on selling.

"Pick Yours from This Spring Garden of Prints" (fabric ad).

"A Dress Can Live Down Its Spotted Past—if you use ABC Cleaner, on sale in the notions department."

Penny-consciousness fails to play on any quality except that of thrift. And thrift is the opposite of spending. Nor will the 136x50 count of some curtain material arouse a delirious desire in me to own the goods.

Actually, we want to want to buy.

Desire, deserted for so long, needs to be awakened by retail promotion, from its depression apathy.

FOR THE

ATTENTION

OF THE

17,061 AGENTS

OF

THE HARTFORD FIRE INSURANCE COMPANY
and
THE HARTFORD ACCIDENT AND INDEMNITY CO.

The end of every depression sees of necessity a redistribution of property. People achieve an ownership of insurable values hitherto unfamiliar to them. At the moment, in most communities, there are entirely new groupings of property control, which, as a matter of course, must present a new pattern of insurance needs. One of the basic causes of the Hartford's growth after depressions, panics and other national crises has been its ability to cope with these changes in owner-responsibility by furnishing sound insurance planned to satisfy individual needs. The annual statements of the Two Hartfords are evidence that the recent depression has not lessened this ability. Property owners with new problems of ownership may profit by studying these records of substantial triumph over adverse conditions. You Hartford Agents have already helped to educate the public insurance-wise by circulating these statements. Continue to use them freely!



To the Public:

Our agents are home-owning, tax-paying citizens, active supporters of Chambers of Commerce, charitable institutions and other civic enterprises. They can and do render valuable insurance service to property owners. When your insurance problems need attention, consult the Hartford's agent. In many communities our agent's name is listed under "Hartford" in the telephone book. If it isn't so listed write the Hartford Fire Insurance Co., Hartford, Conn.

REPUBLIC

MECHANICAL RUBBER PRODUCTS



Demand This Higher Quality

THROUGHOUT the great variety of mechanical rubber products there are so many variations in structure, physical properties and endurance values that quality always relates to distinct requirements. Republic has excelled by making a careful study of these needs and then putting excess quality into each product in order to promote longer life and better service for the particular application.

Republic is widely known for its higher established standards. These standards have been achieved by the most scientific control of production processes. All qualities of the finished products are accurately tested and we make sure that they go beyond the limits of your demands. These quality safeguards apply to both standard items and special requirements.

Distributors of Republic Mechanical Rubber Products are located in all important centers and are supported by complete factory cooperation to assure you of prompt service.

THE REPUBLIC RUBBER COMPANY

YOUNGSTOWN, OHIO

Leadership in Policy, Product and Performance.

. . . ORDER . . .
REPUBLIC RUBBER PRODUCTS FROM YOUR DISTRIBUTOR

When writing please mention Nation's Business

★ THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

Competition Has Moved to a New Battleground

LAST month bids were asked on a large order of steel parts, even though the buyer knew prices in that field must, under the industry's code, be all the same. But he specified that the bidders must submit a record of performance.

Price has ceased to be a competitive factor in many fields. Reputation, or, as this buyer called it, "record of performance," is the basis of present competition. It is bound to be the dominant factor, with price out of the picture, for even against price, reputation won many contracts.

Reputations can be built slowly, over a long period of years, by fine quality and superior service. Or they can be acquired with comparative quickness by advertising your fine quality and superior service.

Under codes and existing trade agreements, price has been minimized as a factor in selling. The deciding factors now are quality, service, prestige and other considerations less tangible than price and more susceptible to selling influences.

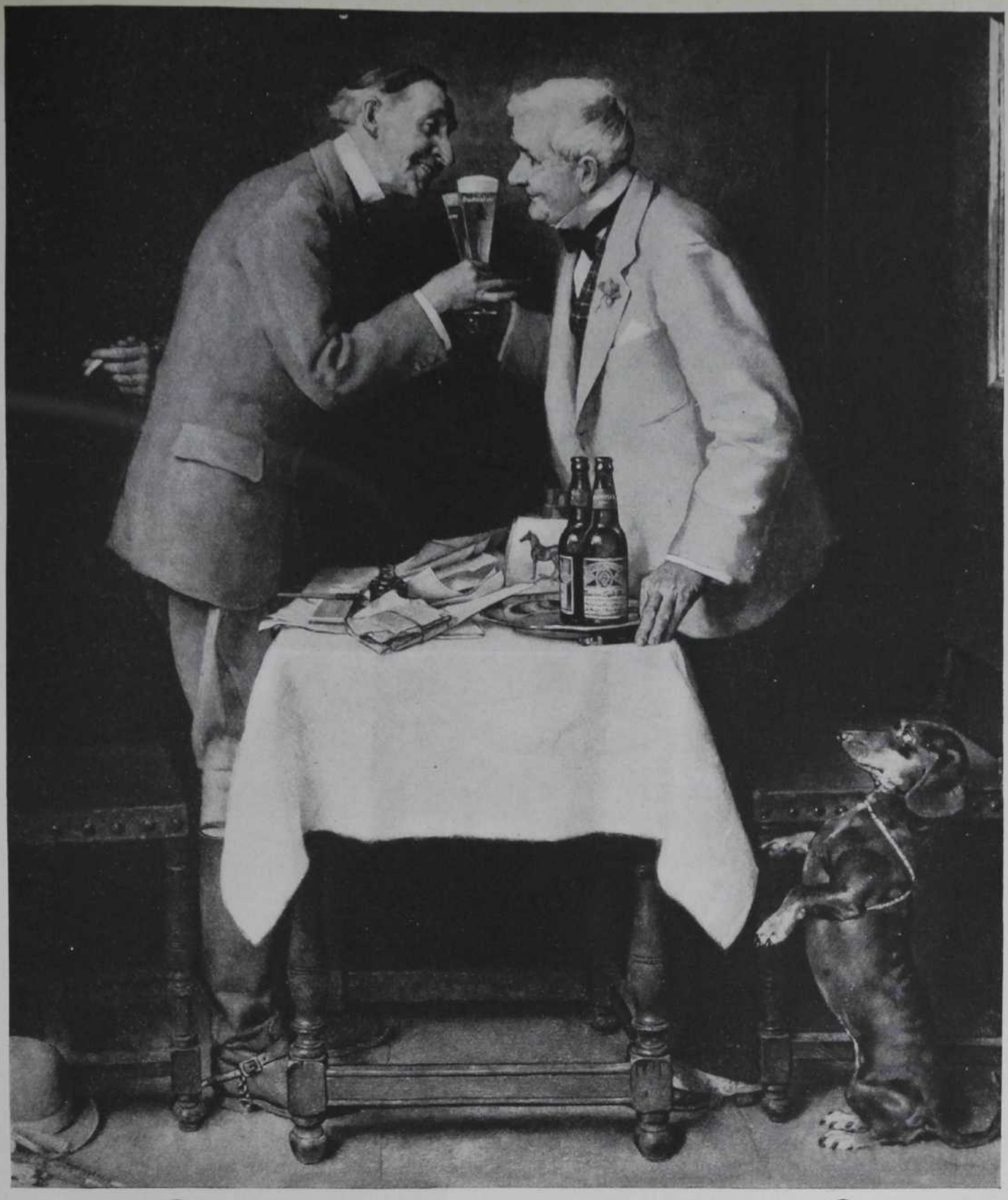
Manufacturers are going to find, as business improves, that good advertising will become a more and more necessary part of their sales effort.

C. ELLIOTT BARB, *Secretary*
McLain Organization Incorporated

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WHEN GENTLEMEN AGREE

To bind a bargain with a friendly glass is an age-old gesture of good fellowship. To fill the glass with BUDWEISER is to choose what generations of good fellows, with an eye toward the best in life, have regarded as the very finest incentive to companionship and well-being. BUDWEISER has made such an outstanding contribution to good living that no other brew ever has matched its record — the biggest-selling bottled beer in history. Order by the case for your home.

Budweiser

KING OF BOTTLED BEER

ANHEUSER-BUSCH • SAINT LOUIS

THE DRINK THAT KEEPS YOU FEELING FIT FOR WHAT'S AHEAD



Figure it out for yourself

Do you see red when you tackle the family budget? Wits won't budge? Both ends, instead of meeting, make faces at each other? . . . Maybe you need a reorganization. Begin with an ice-cold Coca-Cola. Figure it out for yourself: Pause for this refreshing drink, and bounce back to normal. You feel better, think better and decide better. Perfect results!

Coca-Cola Co., Atlanta, Ga.

5¢

Drink Coca-Cola Delicious and Refreshing

A PURE WHOLESOME DRINK OF NATURAL FLAVORS





H. J. HEINZ CO. Buys INTERNATIONAL TRUCKS

HEINZ famous "57 VARIETIES" NOW RIDE IN INTERNATIONAL 2-TON AND 3-TON TRUCKS OF PROVED ECONOMY

THE great pure food house of H. J. Heinz Co. has come to grips with hauling costs. They use hundreds of trucks; their problem is nationwide. *They have to know—and the knowledge has led them to International.*

Four years ago H. J. Heinz Co. put eight new trucks of four leading makes on a competitive basis. For seventeen months these trucks worked under exactly similar conditions. At the end of the period, the Internationals showed much the lowest cost of operation. *They had saved 1.4 cents per mile compared with the next best trucks, and 5.7 cents per mile compared with the trucks operating at highest cost.* Additional trucks were bought, further tests were made, and International rose still higher in favor. The result is extensive enlargement of the Heinz International fleet.

H. J. Heinz Co. is one of the very oldest and best-known concerns in American industry. High standards of quality have built its far-flung organization and its reputation. It has now allied itself with the quality performance of International Trucks.

You may not have the same opportunity as Heinz to measure the comparative merits of trucks but the experience of this firm is yours to draw on. Rely on International Trucks. Sizes, ½-ton to 7½-ton. Ask our nearest branch or dealer for a demonstration.

INTERNATIONAL HARVESTER COMPANY
OF AMERICA (INCORPORATED)
606 S. Michigan Ave. Chicago, Illinois

A FEW DETAILS OF INTERNATIONAL CONSTRUCTION



• **Replaceable Cylinders:** In International trucks the cylinders may be individually removed and quickly replaced with new cylinders of the same size, saving the cost of expensive, unreliable reboring. The engine need not be removed from the truck. The new cylinders actually *renew* the engine — reboring does not. Owners say this feature of advanced design easily adds 50,000 miles to the truck's life.



• **Left: Hardened Exhaust-Valve Seat Inserts** are a feature long ago made standard International practice. They retard valve seat burning, engine efficiency is retained, and the valves seldom need grinding.



• **Right: Removable and replaceable precision-type bearings** have long been a feature of International truck engines. These bearings make it possible to replace connecting rod or main bearings quickly, easily, at low cost.

INTERNATIONAL TRUCKS



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